

AXIS TRUSTEE SERVICES LIMITED

ANNUAL REPORT FOR THE PERIOD
ENDED 31ST MARCH, 2017



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BOARD OF DIRECTORS

V. Srinivasan

Chairman

M. Raghuraman

Managing Director & CEO

R. B. L. Vaish

Director

V. Rajaraman

Director

Sidharth Rath

Director

T. S. Asokraj

(Resigned w.e.f 17.04.2017)

Director

M/s S. R. Batliboi & Co. LLP,

Chartered Accountants

Statutory Auditors

M/s Karvy Computershare Private Limited

Unit: Axis Trustee Services Limited
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032, India
Telephone No - +91-40-671612222
E-mail: support@karvy.com

Registrar & Transfer Agent

Registered Office:

Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli,
Mumbai 400 025
Tel: 022-66260054
Email: Debenturetrustee@axistrustee.com
Website: www.axistrustee.com



DIRECTORS' REPORT: 2016-17

To,
The Members,
AXIS TRUSTEE SERVICES LIMITED

The Board of Directors has the pleasure of presenting the Ninth Annual Report of the Company on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL PERFORMANCE

The financial highlights of the Company for the year ended March 31, 2017 are presented below:-

(Rs. In Crores)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Income from trusteeship services	31.92	32.36
Interest and other income	4.29	4.14
Gross Income	36.21	36.50
Operating Expenses (excluding depreciation)	9.51	8.11
Profit before Depreciation, Provisions and Tax	26.70	28.39
Depreciation	0.22	0.11
Provision for Tax	9.25	9.80
Other Provisions	-	0.45
Net Profit for the period	17.23	18.03
Appropriations:		
Transfer to General Reserve	1.72	1.80
Proposed Dividend	NA	NA
Tax on Dividend	NA	NA
Surplus carried to Balance Sheet	15.51	16.23
TOTAL	17.23	18.03

OPERATIONS, NATURE OF BUSINESS AND FUTURE OUTLOOK OF THE COMPANY

We are glad to inform you that your Company continues to maintain its consistent track record of good performance. During the year under review, the total revenue of the company was at Rs. 36.21 Cr. as against Rs. 36.50 Cr. in 2015-16. The Profit before depreciation, provisions and taxation was Rs. 26.70 Cr. as against Rs. 28.39 Cr. in 2015-16. The performance was marginally affected due to fall in average revenue earned on new mandates due to competition, reduction in Security Trustee business, slow credit off take and provisions for non-realisation of receivables. Profit available for appropriation after providing depreciation and taxation stands at Rs. 17.23 Cr. as against Rs. 18.03 Cr. in the previous period. The earning per share in the year 2016-2017 is Rs. 114.91 per share as against Rs. 120.09 per share in the year 2015-2016.

The Corporate Trustee business grows mainly under Debenture Trustee business and in order to accelerate revenue growth the Company focused on AIF, REIT and INVIT mandates. The first REIT mandate was secured by the Company while one of the very early mandates under INVITs was also secured by the Company. The Company has got 7AIF mandates during the year. Considering the operating and reputation risks associated with Family office business the Company followed a cautious approach in this business segment. During the year the Company automated its operating platform and all deals are routed through this system. SEBI Reports and internal MIS are generated from this system.

RESERVES

The Company proposes to transfer an amount of 1.72 Crores to the General Reserves.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 82.50 per share (825%) for the financial year ended March 31, 2017, subject to approval of the members in the ensuing Annual General Meeting (AGM). The total cash outflow for the Company (including DDT) shall be Rs. 14.89 Crores.

BOARD OF DIRECTORS

During the year under review no changes took place in the composition of the Board of Directors.

However, Mr. T. S. Asokraj (DIN: 02741752), Director of the Company has resigned from the Board of Directors of the Company with effect from the Board Meeting of the Company to be held on April 17, 2017. The Board places on record its deep appreciation and gratitude for the valuable contributions made by Mr. T. S. Asokraj during his tenure as a Director of the Company.

Retirement by Rotation:

Mr. Srinivasan Varadarajan (DIN: 00033882), Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. The Directors place on record their appreciation for their contribution in guiding and supporting the Company's business and operations during their tenure as Directors and recommend his offer of reappointment for consideration in the ensuing Annual General Meeting, subject to the policies of the company. Mr. Srinivasan Varadarajan has confirmed their eligibility to be re-appointed at the AGM.

DETAILS OF BOARD MEETINGS

During the year under review, four meetings of the Board of Directors of the Company were held and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The details of the Board Meetings of the Company for the Financial Year 2016-17 are summarized below:

Sr. No.	Date of the meeting	No. of Directors who attended the meeting
1.	April 18, 2016	6 (Six)
2.	August 3, 2016	6 (Six)
3.	October 21, 2016	6 (Six)
4.	January 25, 2017	5 (Five)

PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of remuneration in excess of limits as prescribed under sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company hereby declares and confirms the following statements, in terms of Section 134(3) (c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' COMMENTS ON AUDITORS' REPORT

The observations made by the Auditors in their Report read with relevant notes given in the Notes to Accounts are self-explanatory and therefore, do not require any comments from the Board of Directors pursuant to Section 134 (3) (f) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is enclosed herewith as "Annexure-I" to this report.

RELATED PARTY TRANSACTIONS

The details of transactions entered into by the Company with the Related Parties referred to in sub-section (1) of section 188, pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 in the Form AOC-2 is enclosed herewith as "Annexure-II" to this report.

HOLDING COMPANY

The Company continues to remain the wholly owned subsidiary of Axis Bank Limited and there has been no change in the status of the company during the financial year under review.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted / renewed any "Deposit" from public within the meaning of the term "Deposits" under the Companies (Acceptance of Deposits) Rules, 2014 made under Chapter V read with Section 73 and 76 of the Companies Act, 2013 as amended from time to time.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	NA
(ii)	the steps taken by the company for utilizing alternate sources of energy	NA
(iii)	the capital investment on energy conservation equipment	NA

(b) Technology absorption

(i)	the efforts made towards technology absorption	Company has procured software application for automation of operations.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Company is benefited in product efficiency, cost reduction, better TAT, efficient data processing etc.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	NA
	(b) the year of import;	NA
	(c) whether the technology been fully absorbed	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv)	the expenditure incurred on Research and Development	NA

(c) Foreign exchange earnings and outgo

During the year, the total foreign exchange used was Nil and the total foreign exchange earned was equivalent to INR 67,38,328 /-.

RISK MANAGEMENT POLICY

The Company has a Risk Management Policy with an objective to formalize the process of identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Risk Policy is a step taken by the Company towards strengthening the existing internal controls and updating the same as may be required from time to time.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has constituted the Corporate Social Responsibility (CSR) Committee of the Company, in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibilities) Rules, 2014, as amended.

As part of its initiative under "Corporate Social Responsibility" (CSR), the Company has contributed to Axis Bank Foundation (ABF) to support two Projects run in partnership with Dilasa Sanstha and Kherwadi Social Welfare Association (KSWA). In partnership with Dilasa Sanstha, Axis Bank Foundation focuses on working with the most disadvantaged households, mostly tribal and aim to make a positive difference in their lives. The project outlines diverse agricultural interventions which include water-shed management, mixed cropping pattern, seed preservation, leveraging government schemes and access to bank credit across the Vidharbha and Marathwada regions in the state of Maharashtra. ABF has helped create sustainable livelihoods for over 76,000 Households in these drought-prone regions. Yuva Parivartan, a program run by Kherwadi Social Welfare Association (KSWA) in partnership with Axis Bank Foundation focuses on providing short-term employment oriented courses to unemployed youth and school drop-outs. Through these interventions, ABF has facilitated training of over 42,000 youths and enabled placement for nearly 65% of the candidates. These activities are in accordance with Schedule VII of the Companies Act, 2013.

During the Financial Year 2016-17, the CSR Committee met 3 times on April 18, 2016; August 3, 2016 and October 21, 2016. During the year under review, the Company has spent Rs. 49,94,220 /- towards CSR activity undertaken through Axis Bank Foundation. A detailed disclosure on the same is enclosed herewith as "Annexure-III" to this report. Further, a responsibility statement received from the members of the CSR Committee is attached in the said disclosure. Also, the CSR policy of the Company is placed on the website of the company.

COMPLIANCE OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT, 2011

The Company has a Prevention of Sexual Harassment (POSH) Policy in place to deal with the matters pertaining to the compliance of The Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2011. No complaints were received by the Company during the Financial Year under this Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not taken Loan, Guarantees or made Investments covered under Section 134(3) (g) of the Companies Act, 2013.

STATUTORY AUDITORS AND THEIR REPORT

In the Sixth Annual General Meeting of the Company held on June 9, 2014, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company (ICAI Firm Registration No: 301003E/ E300005), were appointed as the Statutory Auditors of the Company to hold office as such from the conclusion of the Sixth Annual General Meeting until the conclusion of the Eleventh Annual General Meeting, subject to the ratification of their appointment at every Annual General Meeting.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Statutory Auditors is required to be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the company for the financial year 2017-18, is placed for ratification by the members of the company at the Ninth Annual General Meeting.

The Board of Directors has proposed the ratification of appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the company for the financial year 2017-18 for the approval of the members at the Ninth Annual General Meeting of the company. In view of the forgoing, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting for their appointment as Statutory Auditors for the Financial Year 2017-18 on the remuneration as approved by the Board of Directors. In this regard, the company has received a confirmation from Statutory Auditors regarding their eligibility.

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Board has inter alia reviewed the adequacy and effectiveness of the internal policies and procedures of the company in respect of the financial statements to ensure that there is an orderly and efficient conduct of business, prevention and detection of frauds and errors. Further, internal policies and procedures are in place to determine the accuracy and completeness of the accounting records and there is a system in place for preparation of reliable financial information.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude for all the guidance and co-operation received from its Holding Company – Axis Bank Limited. Your Directors would like to place on record its gratitude to Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Financial Institutions, Bankers, Advisors, Central, State and Local Government Departments and Bodies, Registrar and Transfer Agent and other government and regulatory authorities for their strong support and guidance. The Directors acknowledges the support of Members and also places on record its sincere thanks to its valued clients and partners for their continued patronage.

The Directors also express their warm appreciation to all the employees and officers of the Company for their strong work ethic, excellent performance, professionalism, team work, commitment and initiative, which has led to the company making commendable progress in today's challenging business environment.

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 17, 2017

V. SRINIVASAN
Chairman
DIN: 00033882



**Form No. MGT-9
(Annexure-I)**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U74999MH2008PLC182264
ii.	Registration Date	16/05/2008
iii.	Name of the Company	Axis Trustee Services Limited
iv.	Category / Sub-Category of the Company	Public Company limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra-400025, INDIA Telephone No: 022-66260054
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, India Telephone No - +91-40-671612222 e-mail: support@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trusteeship Services	99715410	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding / Subsidiary / Associate	%of shares held	Applicable Section
1.	Axis Bank Limited, Trishul, 3rd Floor, Opp. Samartheshwar Temple Law Garden, Ellisbridge, Ahmedabad Gj 380006 India.	L65110GJ1993PLC020769	Holding	99.99	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year-				No. of Shares held at the end of the year				%Charge during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	1499930	0	1499930	99.995	1499930	0	1499930	99.995	0
f) Any Other*	70	0	70	0.005	70	0	70	0.005	0
Sub-total(A)(1):-	1500000	0	1500000	100	1500000	0	1500000	100	0
2) Foreign									
g) NRIs- Individuals	0	0	0	0	0	0	0	0	0
h) Other- Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
B. Public Shareholding									

1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1500000	0	1500000	100	1500000	0	1500000	100	0

*** The 70 Shares disclosed in "Any Other" Category belong to the Nominees of Axis Bank Limited, who hold shares in the Company on behalf of Axis Bank Limited**

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	Axis Bank Limited	1499930	99.995333	0	1499930	99.995333	0	0
2.	Mr. K. Vishwanathan (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
3.	Mr. Sidharth Rath (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
4.	Mr. Advait Majmudar (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
5.	Mr. Anirban Chakraborty (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0

6.	Mr. Bipin Kumar Saraf (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
7.	Mr. M. Raghuraman (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
8.	Mr. Neelesh Radheshyam Baheti (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
	Total	1500000	100	0	1500000	100.00	0	0

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1500000	100	1500000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	1500000	100	1500000	100

Note: There was no change in Promoters' Shareholding during the Financial Year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	0	0	0	0
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i + ii + iii)	0	0	0	0
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction				
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager

Sl. No.	Particulars of Remuneration	Name of Managing Director & CEO	Total Amount
		Mr. M. Raghuraman	
		01.04.2016 – 31.03.2017	

1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,91,520.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commission	0	
	- as % of profit	-	
	- others, specify	-	
5.	Others, please specify:		
	1. House Rent Allowance	22,02,792.00	
	2. Fixed Allowance	23,32,368.00	
	3. Medical	30,000.00	
	4. Leave fare Concession	1,20,000.00	
	5. Child Education Allowance	2,400.00	
	6. Utility Allowance	48,000.00	
	7. Furniture Allowance	60,000.00	
	8. PF, Gratuity, Conveyance & Telephone	3,10,982.00	
	9. Leave fare Encashment	1,05,578.00	
	10. Variable Pay Superannuation	10,36,608.00	
6.	Total(A)		88,40,248.00
	Ceiling As per the Act		1,32,45,607.00

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	<u>Independent Directors:</u>			
	· Fee for attending Board and Committee Meetings	Nil		Nil

	<ul style="list-style-type: none"> · Commission · Others, please specify 			
	Total(1)	-		-
	<u>Other Non-Executive Directors:</u> <ul style="list-style-type: none"> · Fee for attending Board & Committee Meetings · Commission · Others, please specify 	Mr. Rajaraman Viswanathan 1,20,000 - -	Mr. Ram Bharoseylal Vaish 80,000 - -	2,00,000 - -
	Total(2)	1,20,000	80,000	2,00,000
	Total(B)=(1+2)	1,20,000	80,000	2,00,000
	Total Managerial Remuneration	Within the prescribed limit		
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO	Total
1.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0

	- as% of profit - others, specify				
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0
<i>Details of remuneration paid to CEO already stated in Point A. above</i>					

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, If any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

**Place: Mumbai
Date: April 17, 2017**

**V. SRINIVASAN
Chairman
DIN: 00033882**



ANNEXURE-II
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of Particulars of Contracts / Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Names of the related party and nature of relationship	:	NIL
(b)	Nature of contracts/ arrangements/ transactions	:	NIL
(c)	Duration of the contracts / arrangements/ transactions	:	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
(f)	Date (s) of approval by the Board	:	NIL
(g)	Amount paid as advances, if any	:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and Nature of relationship	:	1. Axis Bank Limited (Holding Company) 2. Axis Capital Limited (Fellow Subsidiary) 3. Axis Finance Limited (Fellow Subsidiary)
(b)	Nature of contracts / arrangements / transactions	:	1. Re-imburement of costs incurred in respect of employee deputation 2. Rentals paid on shared premises between the Company and the Bank 3. Payment of services charges (i.e. Bank charges such as I.T Support Services and others) 4. Fees/ commission for trusteeship / custodian / agency services 5. Receipt of Interest on Fixed Deposit 6. Reimbursement related to usage of common facilities / other expenses to / from related parties 7. Payment of Referral Fee 8. Payment of Dividend
(c)	Duration of the contracts / arrangements / transactions	:	Varies with the nature of the contract / arrangement / transaction
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	The Contract/ arrangement / transaction are entered at arms' length price and in normal course of business. Refer Financial Statements.
(e)	Date(s) of approval by the Board, if any	:	1. 18.04.2016 2. 03.08.2016 3. 21.10.2016 4. 25.01.2017
(f)	Amount paid as advances, if any	:	NIL

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 17, 2017

V. SRINIVASAN
Chairman
DIN: 0003388



Annexure-III

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs

Your Company recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders. The CSR Policy is guided by the Company's corporate vision and the aspiration to be the Trustee of Choice for Customers, Investors, Employees and Community.

1. Your Company has identified the following program/activity for assistance under CSR initiative:
 - i. To train the unemployed youth and provide employment through vocational training courses in beautician, electrician, nursing, mobile repairing, etc.
 - ii. To promote seed production and stabilize agriculture production of marginal and poor tribal farmers using low external input agriculture pattern.
 - iii. To implement innovative soil and water conservation measures enhancing soil fertility and fodder availability.
 - iv. To reduce the distress migration of people from rural to urban areas.

2. The CSR Policy is also accessible on the web portal of the Company at the following link:

Web link: <http://www.axistrustee.com/csr.aspx>

The composition of the CSR Committee:

1. Mr. V. Rajaraman - Chairman
2. Mr. M. Raghuraman - MD & CEO
3. Mr. T. S. Asokraj - Director

3. Average Net Profit (before tax) of the company for last 3 financial year:

Financial Year	Profit before Tax	Average of three years
2013-14	21,95,56,666	24,97,10,986.67
2014-15	25,14,41,974	
2015-16	27,81,34,320	

4. Prescribed CSR expenditure (2% of amount):

Based on the above arrived figures, your company earmarked a sum of Rs. 49,94,220 /- during the financial year 2016-17 towards CSR initiatives.

5. Details of CSR activities/projects undertaken during the year:

- a) Total amount to be spent for the financial year – Rs. 49,94,220 /-
- b) Amount un-spent (if any) – Nil
- c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity	Sector	Projects/ Programmes 1. Local area/others- 2. specify the state / where project / programme was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project/ program <u>Sub-heads:</u> 1. Direct expenditure on project / program, 2. Overheads	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency *
1.	Livelihood	-Watershed Management and Agriculture Productivity -Vocational Training	a) 1. Dilasa Sanstha 2. Maharashtra b) 1. Kherwadi Social Welfare Association (KSWA) 2. Maharashtra	Rs. 49.94 Lacs	Rs. 49.94 Lacs	Rs. 49.94 Lacs	Rs. 49.94 Lacs

*Implementing Agency - Axis Bank Foundation

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report

NA

7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee of the Company confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

M. Raghuraman
MD and CEO

V. Rajaraman
Chairman of CSR Committee



To,
The Board of Directors,
Axis Trustee Services Limited

Dear Sirs,

Subject: Responsibility Statement by the CSR Committee

In reference with the responsibility statement to be submitted by the CSR Committee under the provisions of Companies Act, 2013, the CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

M. Raghuraman
MD and CEO
DIN: 07397084

V. Rajaraman
Chairman of CSR Committee
DIN: 01308488

Place: Mumbai
Date: April 17, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Trustee Services Limited`

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Trustee Services Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Prevention Fund by the Company;

iv. The Company has provided requisite disclosures in Note 26 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jitendra H. Ranawat

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: 17 April, 2017

INDEPENDENT AUDITOR'S REPORT (CONT.)

Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Axis Trustee Services Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i) (c) According to information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, the dues of income tax outstanding on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax demand raised against the Company	9,340,780	AY 2011-12	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax demand raised against the Company	5,411,836	AY 2013-14	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax demand raised against the Company	10,950	AY 2014-15	Assistant Commissioner of Income Tax

- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company not commented upon.
- (xv) According to 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 as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jitendra H. Ranawat

Partner

Membership Number: 103380

Place: Mumbai

Date: 17 April, 2017

INDEPENDENT AUDITOR'S REPORT (CONT.)

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AXIS TRUSTEE SERVICES LIMITED

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

To the Members of Axis Trustee Services Limited

We have audited the internal financial controls over financial reporting of Axis Trustee Services Limited ("the Company") as of March 31, 2017 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 the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 judgement, 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 internal financial controls system over financial reporting.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 2017, 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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Axis Trustee Services Limited, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 17, 2017 and expressed an unqualified opinion thereon.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jitendra H. Ranawat

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: 17 April, 2017

Axis Trustee Services Limited
Balance Sheet as at 31st March, 2017

	Note No.	Amount (Rs) 31 March 2017	Amount (Rs) 31 March 2016
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,50,00,000	1,50,00,000
Reserves & surplus	4	53,42,89,106	51,08,64,551
		54,92,89,106	52,58,64,551
Non-current liabilities			
Other long term liabilities	5	1,32,110	4,79,341
Long term provisions	6	13,35,751	24,32,169
		14,67,861	29,11,510
Current liabilities			
Trade payables	7	33,21,881	11,63,693
Other current liabilities	7	10,79,92,236	10,53,17,972
Short term provisions	6	1,05,85,335	85,55,312
		12,18,99,452	11,50,36,977
Total		67,26,56,419	64,38,13,038
II. ASSETS			
Non-current assets			
Fixed assets			
Property, Plant & Equipment	8	18,45,202	20,63,266
Intangible assets	9	70,70,095	48,29,593
Intangible assets under development			
Deferred tax assets (net)	10	3,25,749	33,33,312
Loans & Advances	12	1,07,69,241	68,33,397
Other non-current assets	14	10,28,00,000	29,53,18,640
		12,28,10,287	31,23,78,208

Current assets				
Current Investments	11	2,25,00,000		-
Loans & Advances	12	18,26,067	21,22,220	
Trade receivables	13	5,43,61,712	4,80,55,629	
Cash and Bank balances	15	37,27,57,431	18,76,73,767	
Other current assets	14	9,84,00,922	9,35,83,214	
		54,98,46,132	33,14,34,830	
Total		67,26,56,419	64,38,13,038	
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No.: 301003E/ E300005
Chartered Accountants

For and on behalf of the Board of Directors
of Axis Trustee Services Limited

per Jitendra H. Ranawat
Partner
 Membership No.: 103380
 Place: Mumbai
 Date: 17 April, 2017

M. Raghuraman
Managing Director & CEO
 Place: Mumbai
 Date: 17 April, 2017

Sidharth Rath
Director

Axis Trustee Services Limited
Statement of Profit and Loss for the year ended 31st March, 2017

	Note No.	Amount (Rs)	
		31 March 2017	31 March 2016
Income			
Revenue from operations	16	31,92,26,197	32,35,73,459
Other income	17	4,28,91,470	4,14,75,434
Total revenue (I)		36,21,17,667	36,50,48,893
Expenses			
Employee benefit expense	18	6,37,30,213	5,18,71,747
Other expenses	19	3,13,28,365	3,38,11,099
Depreciation and amortisation	20	21,46,955	12,31,727
Total expenses (II)		9,72,05,533	8,69,14,573
Profit before tax (I-II)		26,49,12,134	27,81,34,320
Tax expense:			
Current Tax		8,95,37,419	9,90,87,582
Deferred Tax		30,07,572	(10,89,907)
Total tax expense		9,25,44,991	9,79,97,675
Profit/(Loss) for the Year		17,23,67,143	18,01,36,645
Earnings per equity share (nominal value of share Rs. 10 ; previous year Rs. 10)			
Basic	21	114.91	120.09
Diluted	21	114.91	120.09
Statement of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No.: 301003E/ E300005
Chartered Accountants

per Jitendra H. Ranawat
Partner

Membership No.: 103380

Place: Mumbai

Date: 17 April, 2017

For and on behalf of the Board of Directors
of Axis Trustee Services Limited

M. Raghuraman

Managing Director & CEO

Place: Mumbai

Date: 17 April, 2017

Sidharth Rath

Director

Axis Trustee Services Limited
Cash Flow Statement for the year ended 31st March, 2017

Cash flow from operating activities	Amount (Rs.)	
	March 31,2017	March 31,2016
Profit before tax from continuing operations	26,49,12,133	27,81,34,320
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	21,46,955	12,31,727
Provision for doubtful debts (net)	45,32,618	61,84,270
Loss on disposal/ write off on property, plant & equipment /intangible assets pertaining to continuing operations	-	-
Net Gain on sale of current investments	(60,14,894)	(3,93,955)
Interest Income	(3,63,76,576)	(4,10,81,479)
Operating profit before working capital changes	22,92,00,236	24,40,74,883
Movements in working capital :		
Increase/ (decrease) in trade payables	21,58,181	6,91,126
Increase / (decrease) in long-term provisions	(10,96,418)	- 2,54,240
Increase / (decrease) in short-term provisions	20,30,023	(1,77,100)
Increase/ (decrease) in other current liabilities	26,74,264	1,71,17,930
Increase/ (decrease) in other long-term liabilities	(3,47,231)	(30,570)
Decrease / (increase) in trade receivables	(1,08,38,701)	(67,92,796)
Decrease / (increase) in Loans & Advances	2,96,153	(11,97,886)
Decrease / (increase) in other current assets	20,63,854	(23,00,086)
Cash generated from operations	22,61,40,361	25,11,31,262
Direct taxes paid (net of refunds)	(9,34,73,263)	(9,56,27,224)
Net cash flow from operating activities (A)	13,26,67,098	15,55,04,038
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(41,69,393)	(15,58,685)
Investments in bank deposits (having original maturity of more than three months)	(20,43,01,690)	(20,12,50,000)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	19,96,51,690	18,82,00,000
Purchase of current investments	(24,05,00,000)	(16,73,00,000)
Proceeds from sale/maturity of current investments	22,40,14,892	16,76,93,955
Interest income	2,94,95,015	94,61,345
Net cash flow from/ (used in) investing activities (B)	41,90,514	(47,53,385)

Cash flows from financing activities		
Dividend paid on equity shares	(12,37,50,000)	(11,25,00,000)
Tax on equity dividend paid	(2,51,92,588)	(2,29,02,356)
Net cash flow from/ (used in) in financing activities (C)	(14,89,42,588)	(13,54,02,356)
Net increase/(decrease) in cash and cash equivalents (A + B + C)		
	(1,20,84,976)	1,53,48,298
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	2,52,23,767	98,75,470
Cash and cash equivalents at the end of the year	1,31,38,791	2,52,23,767
Components of cash and cash equivalents		
With banks- on current account	1,31,38,791	2,52,23,767
Total cash and cash equivalents (note 14)	1,31,38,791	2,52,23,767

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per Jitendra H. Ranawat
Partner

Membership No.: 103380

Place: Mumbai

Date: 17 April, 2017

For and on behalf of the Board of Directors
of Axis Trustee Services Limited

M. Raghuraman **Sidharth Rath**
Managing Director & CEO **Director**

Place: Mumbai

Date: 17 April, 2017

Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2017

1. Corporate information

Axis Trustee Services Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a wholly owned Subsidiary of Axis Bank Limited. The Company is engaged in the business of Trusteeship activity namely Debenture Trusteeship / Security Trusteeship / Security Agency / Lenders' Agency / Facility Agency / Trusteeship for Securitisation Issuances / Escrow Agency /Custodian Agent/Family Office/Alternate Investment Fund /Real Estate Investment Trust/Infrastructure Investment Trust etc.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Statement of significant accounting policies:

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the Statement of Profit and Loss for the year when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates gratuity as a defined benefit plan for its employees. The costs of gratuity under the Company's plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(c) Property, Plant and Equipment (including intangible assets)

Property, Plant and Equipment (including intangible assets) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Gain or losses arising from de-recognition of property, plant and equipment (including intangible assets) are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation/Amortization on Property, Plant and Equipment (including intangible assets)

Depreciation on property, plant and equipment is provided using the Straight Line Method ('SLM') using the rates arrived at based on the useful lives estimated by the management. Intangible assets are amortized on a straight line basis over the estimated useful life. The Company has used the following rates to provide depreciation/amortization on its Property, Plant and Equipment (including intangible assets):

	Useful Life as per Management (SLM)	Useful Life as per Schedule II (SLM)
Computers	3 years	6 years
Computer Server	3 years	6 years
Office equipment	5 years	5 years
Mobile instruments	2 years	5 years
Furniture and Fixtures	10 years	10 years
Software	5 years	5 years

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013.

(e) Impairment of property, plant and equipment and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Annual Fees for trusteeship services and servicing fees are recognized, on a straight line basis, over the period when services are performed. Initial acceptance fees for trusteeship services is recognized as and when the 'Offer Letter' for the services to be rendered is accepted by the customer.

Advisory Services fees on Family Office Service are recognized as and when the activities defined in the accepted offer letter is achieved.

Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Realized gains and losses on mutual funds are dealt with in the statement of profit and loss. The cost of units in mutual fund sold are determined on weighted average basis for the purpose of calculating gains or losses on sale/redemption of such units.

(a) Income taxes

Tax expense comprises current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and the tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originated during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(b) Segment information

The Company is engaged primarily in the trusteeship business and its business operations are concentrated in India. Accordingly there are no separate business segments and geographical segments as per Accounting Standard 17 – Segment Reporting issued by The Institute of Chartered Accountants of India.

(c) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(d) Provisions

A provision is recognized when the Company has a present obligation as a result of 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 obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A provision for doubtful debts is recognized where, in the case of Initial Acceptance Fees, the receivables are not realized within 90 days from the date of invoice, and in the case of Annual Fees, the receivables are not received within 90 days from the end of the period for which the invoice is issued.

Where doubtful debt remains unrecovered till the end of the year, the same is written off and reversed from the debtors account.

Specific provisions are created in certain cases where recovery is assessed as doubtful even before the due date.

(e) 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. A contingent liability also arises in extremely rare cases where there is a

liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(f) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and short-term investment with an original maturity of three months or less.

(m) Leases

Where the company is lessee;

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3. Share capital

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Authorized shares		
5,000,000 (31 March 2016: 5,000,000) equity shares of Rs.10/- each	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares		
1,500,000 (31 March 2016: 1,500,000) equity shares of Rs. 10/- each	15,000,000	15,000,000
Total issued, subscribed and fully paid-up share capital	15,000,000	15,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2017		31 March 2016	
	No.	Amount (Rs.)	No.	Amount (Rs.)
At the beginning of the period	1,500,000	15,000,000	1,500,000	15,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	1,500,000	15,000,000	1,500,000	15,000,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March, 2017 the amount of per share dividend recognized as distributions to equity shareholders is Nil (31 March, 2016: Rs. 82.50 per share paid in current year)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	As at 31 March 2017 Amount (Rs.)	As at 31 March 2016 Amount (Rs.)
Axis Bank Limited, the holding company and its nominees 1,500,000 (31 March 2016: 1,500,000) equity shares of Rs.10 each fully paid	15,000,000	15,000,000

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs.10 each fully paid Axis Bank Limited, the holding company and its nominees	1,500,000	100.00%	1,500,000	100.00%

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Proposed dividends on Equity shares:

	As at 31 March 2017 Amount (Rs.)	As at 31 March 2016 Amount (Rs.)
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on 31 March 2017: Rs. 82.5 per share (31 March 2016: Rs.82.5 per share)	123,750,000	123,750,000
Dividend Distribution Tax on proposed dividend	25,192,588	25,192,588
	148,942,588	148,942,588

4. Reserves and surplus

	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
General reserve		
Balance as per the last financial statements	83,196,276	65,182,611
Add: amount transferred from surplus balance in the statement of profit and loss	17,236,714	18,013,665
Closing Balance	100,432,990	83,196,276
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	427,668,275	265,545,294
Profit for the year	172,367,143	180,136,646
Less: Appropriations		
Dividend on equity shares (amount per share Rs. 82.5 per share)	(123,750,000)	-
Dividend Distribution Tax	(25,192,588)	-
Transfer to general reserve	(17,236,714)	(18,013,665)
Total appropriations	(166,179,302)	(18,013,665)
Net surplus in the statement of profit and loss	433,856,116	427,668,275
Total reserves and surplus	534,289,106	510,864,551

5. Other long-term liabilities

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Unearned revenue	132,110	479,341
	132,110	479,341

6. Provisions

	Long-term		Short-term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Provision for employee benefits				
Provision for gratuity (Refer Note 22)	879,400	473,589	80,023	38,609
Provision for leave benefits	456,351	149,580	348,045	492,236
Provision for variable pay	-	1,809,000	8,178,263	6,607,210
	1,335,751	2,432,169	8,606,331	7,138,055
Other provisions				
Provision for expenses	-	-	1,979,004	1,417,257
	-	-	1,979,004	1,417,257
	1,335,751	2,432,169	10,585,335	8,555,312

7. Other current liabilities

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Trade Payables (Refer note 25 for details of dues to micro and small enterprises)	3,321,881	1,163,693
	3,321,881	1,163,693
Other liabilities		
Unearned revenue	107,590,333	105,080,394
Others:		
Undisputed Statutory Dues Payable	401,903	237,578
	107,992,236	105,317,972
	111,314,117	106,481,665

8. Property plant and equipment

	Computers	Computer Servers	Office Equipment's	Mobiles	Furniture and Fixtures	Total
Cost						
At 1 April 2015	1,553,629	-	7,208	73,750	1,294,944	2,929,531
Additions	222,635	1,012,200	-	-	-	1,234,835
Disposals	-	-	-	-	-	-
At 31 March 2016	1,776,264	1,012,200	7,208	73,750	1,294,944	4,164,366
Additions	567,550	-	16,313	-	63,430	647,293
Disposals	-	-	-	-	-	-
At 31 March 2017	2,343,814	1,012,200	23,521	73,750	1,358,374	4,811,659
Depreciation						
At 1 April 2015	994,478	-	3,365	65,305	342,097	1,405,245
Charge for the year	311,479	246,786	721	7,375	129,494	695,855
Disposals	-	-	-	-	-	-
At 31 March 2016	1,305,957	246,786	4,086	72,680	471,591	2,101,100
Charge for the year	392,925	337,366	2,156	1,070	131,840	865,357
Disposals	-	-	-	-	-	-
At 31 March 2017	1,698,882	584,152	6,242	73,750	603,431	2,966,457
Net Block						
At 31 March 2016	470,307	765,414	3,122	1,070	823,353	2,063,266
At 31 March 2017	644,932	428,048	17,279	-	754,943	1,845,202

9. Intangible assets

	Computer Software
Gross block	
At 1 April 2015	64,136
Additions	5,344,200
Disposal/write off	
At 31 March 2016	5,408,336
Additions (including capitalized during the year)	3,522,100
Disposal/Write off	-
At 31 March 2017	8,930,436
Amortization	
At 1 April 2015	42,871
Charge for the year	535,872
Disposal/write off	-
At 31 March 2016	578,743
Charge for the year	1,281,598
Disposal/Write off	
At 31 March 2017	1,860,341
Net block	
At 31 March 2016	4,829,593
At 31 March 2017	7,070,095

10. Deferred tax asset (net)

	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	850,441	1,024,854
Provision for doubtful debts (net)	-	2,534,192
Gross deferred tax asset	850,441	3,559,046
Deferred tax liability		
Property, plant and equipment and intangible assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	524,692	225,734
Gross deferred tax liability	524,692	225,734
Net deferred tax asset	325,749	3,333,312

11. Current Investments

	Non-Current		Current	
	31 March 2017 Amount in (Rs.)	31 March 2016 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Investments				
Investment in Mutual Funds (Market Value Rs.22,532,249)	-	-	22,500,000	-
	-	-	22,500,000	-

12. Loans & Advances

	Non-Current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Amount in (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Other Loans & Advances				
Unsecured, considered good				
Prepaid expenses	-	-	1,504,553	219,713
Deposit with Central Registry	-	-	254,197	1,002,635
Service tax receivable	-	-	67,317	899,872
Advance payment of income tax / tax deducted at source (after adjusting provision for tax: Rs. 515,400,652; previous year : Rs. 425,863,232)	10,769,241	6,833,397	-	-
	10,769,241	6,833,397	1,826,067	2,122,220

13. Trade receivables

	Non-Current		Current	
	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	7,711,466	5,872,070
Doubtful	-	-		5,032,562
			7,711,466	10,904,632
Provision for doubtful receivables	-	-		(5,032,562)
(a)	-	-	7,711,466	5,872,070
Other receivables				
Unsecured, considered good	-	-	46,650,246	42,183,559
Doubtful	-	-		2,290,000
			46,650,246	44,473,559
Provision for doubtful receivables	-	-	-	(2,290,000)
(b)	-	-	46,650,246	42,183,559
Total (a + b)	-	-	54,361,712	48,055,629

14. Other assets

	Non-Current		Current	
	31 March 2017 Amount in (Rs.)	31 March 2016 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Note 15)	102,800,000	295,318,640	-	-
	102,800,000	295,318,640	-	-
Others				
Interest accrued on fixed deposits	-	-	92,903,596	86,022,034
Due from the holding company (Axis Bank)	-	-	5,497,326	7,561,180
	-	-	98,400,922	93,583,214
	102,800,000	295,318,640	98,400,922	93,583,214

15. Cash and bank balances

	Non-current		Current	
	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Cash and cash equivalents				
- On current accounts	-	-	13,138,791	25,223,767
	-	-	13,138,791	25,223,767
Other bank balances				
- Deposits with remaining maturity for more than 12 months	102,800,000	295,318,640	-	-
-- Deposits with remaining maturity for less than 12 months	-	-	359,618,640	162,450,000
	102,800,000	295,318,640	359,618,640	62,450,000
Amount disclosed under non-current assets (Note 14)	(102,800,000)	(295,318,640)	-	-
	-	-	372,757,431	187,673,767

16. Revenue from operations

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Revenue from operations		
Rendering of services	319,226,197	323,573,459
Revenue from operations	319,226,197	323,573,459

Detail of services rendered

Initial acceptance fees	63,323,374	57,989,875
Annual fees	216,809,430	230,063,035
Servicing fees	39,093,393	35,520,549
	319,226,197	323,573,459

17. Other income

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Interest income on bank deposits	36,376,576	41,081,479
Profit on sale of mutual fund	6,014,894	393,955
Recovery of Doubtful Debts	500,000	-
	42,891,470	41,475,434

18. Employee benefit expense

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Salaries, wages and bonus (including amount paid to employees on deputation)	61,930,756	50,419,915
Contribution to provident and other funds	840,967	934,224
Gratuity expense (Refer Note 21)	447,225	52,986
Staff welfare expenses	511,265	464,622
	63,730,213	51,871,747

19. Other expenses

	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Power and fuel	716,525	1,112,085
Rent	7,558,386	10,334,184
Rates and taxes	602,867	648,130
Advertising and business promotion	58,971	39,600
Travelling and conveyance	1,076,398	1,044,325
Conference Expenses	1,618,621	973,512
Communication expenses	525,145	383,397
Printing and stationery	60,295	93,369
Professional & legal fees	3,566,681	2,239,297
Directors' sitting fees	200,000	220,000
Bank charges	927	775
DP charges	900	721,011
Registration fees	26,866	80,000
Payment to auditor (Refer details below)	1,204,668	1,018,409
Bad debts written off (net of provisions)		
Bad Debts	Rs. 123,55,180	5,032,618
Less: Reversal of Provisions	Rs. <u>73,22,562</u>	-
Provision for Doubtful Debts		1,670,708
Referral fees	877,500	4,513,562
CSR expenditure	4,994,220	-
Office expenses	2,935,757	4,363,000
Website Hosting Expenses	271,020	3,296,268
		1,059,467
	31,328,365	33,811,099

Details of CSR Expenditure

	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
Gross amount required to be spent by the group during the year		
Amount spent in cash during the year		
i) Construction/acquisition of any asset		
ii) On purposes other than (i) above	-	-
	4,994,220	4,363,000
	4,994,220	4,363,000

Payment to auditor

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
As auditor:		
Audit fee	1,150,000	1,000,000
In other capacity:		
Other services (certification fees)	30,000	-
Reimbursement of expenses & Service Tax	24,668	18,409
	1,204,668	1,018,409

20. Depreciation and amortization expense

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Depreciation of Property, plant and equipment assets	865,357	695,855
Amortization of intangible assets	1,281,598	535,872
	2,146,955	1,231,727

21. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Total operations for the year		
Profit after tax	172,367,143	180,136,645
Net profit for calculation of basic EPS	172,367,143	180,136,645
Net profit as above	172,367,143	180,136,645
Net profit for calculation of diluted EPS	172,367,143	180,136,645
Weighted average number of equity shares in calculating basic EPS	1,500,000	1,500,000
Weighted average number of equity shares in calculating diluted EPS	1,500,000	1,500,000

Earnings per equity share

Basic earnings per share	Rs.114.91	Rs. 120.09
Diluted earnings per share	Rs.114.91	Rs. 120.09

22. 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 following table summarises the component 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 plan.

Net employees benefit expense (recognised in Employee Cost):

Particulars	Gratuity	
	31 March 2017	31 March 2016
Current service cost	200,752	78,100
Net Interest cost	37,800	36,278
Net Actuarial (gains) / losses	208,673	(61,392)
Net Expenses recognized in the statement of profit or loss	447,225	52,986

Balance Sheet

Particulars	Gratuity	
	31 March 2017	31 March 2016
Defined benefit obligation	959,423	512,198
Fair value of plan assets	-	-
Unrecognised past service cost	-	-
Net (Liability)/Asset Recognised in the Balance Sheet	(959,423)	(512,198)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	31 March 2017	31 March 2016
Opening defined benefit obligation	512,198	459,212
Net Interest cost	37,800	36,278
Current service cost	200,752	78,100
Benefits paid	-	-
Actuarial (gains) / losses on obligation- due to change in Demographic assumptions	299,632	(198,279)
Actuarial (gains) / losses on obligation- due to change in financial assumptions	(249,672)	10,736
Actuarial (gains) / losses on obligation – due to experience	158,713	126,151
Present Value of Benefit Obligation at the end of the period	959,423	512,198

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

Particulars	31 March 2017	31 March 2016
Discount rate	6.85%	7.38%
Increment rate	10%	15%
Attrition rate	20%	30%

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous 3 periods are as follows

	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Defined benefit obligation	959,423	512,198	459,212	153,402
Fair value of plan assets	-	-	-	-
Unrecognised past service cost	-	-	-	-
Net (Liability)/Asset Recognised in the Balance Sheet	(959,423)	(512,198)	(459,212)	(153,402)

23. Operating Lease : Company as Lessee

The Company has entered into Leave and License Agreement for office premises with Axis Bank Ltd. (the holding company). This agreement has a life of three years. The notice period for this agreement is 3 months.

Future minimum rentals payable under non-cancellable leases are as follows:

	31 March 2017	31 March 2016
	Amount (Rs.)	Amount (Rs.)
Less than one year	1,658,280	2,583,546

24. Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company	Axis Bank Limited (the Bank or the Holding Company)
Key Management Personnel	Mr. M. Raghuraman (Managing Director & CEO)
Fellow Subsidiary Companies	Axis Capital Limited
	Axis Private Equity Limited
	Axis Asset Management Company Limited
	Axis Mutual Fund Trustee Limited
	Axis Bank U.K. Limited
	Axis Finance Limited
	Axis Securities Limited
	Axis Securities Europe Limited
	A. Treds Limited (w.e.f from 23 rd May,2016)

Related parties under AS18 with whom transactions have taken place during the year:

Particulars	Holding Company Amount (Rs.)	Fellow Subsidiary Amount (Rs.)	Key Management Personnel Amount (Rs.)	Total Amount (Rs.)
Income				
Interest Income	36,376,576	-	-	36,376,576
	(41,081,479)	-	-	(41,081,479)
Servicing Fees	39,093,393	-	-	39,093,393
	(35,520,549)	-	-	(35,520,549)
Rendering of services (Axis Finance Limited)	-	268,933	-	268,933
	-	(375,000)	-	(375,000)
Rendering of services (Axis Capital Limited)	-	-	-	-
	-	(500,000)	-	(500,000)
Rendering of services	569,505	-	-	569,505
	(26,33,163)	-	-	(26,33,163)
Expenses				
Rent Paid	7,558,386	-	-	7,558,386
	10,334,184	-	-	10,334,184
Reimbursement of Staff Cost	25,483,694	-	8,840,248*	34,323,942
	(26,401,681)	-	(5,712,949)	(32,114,630)
Other reimbursement of expenses	4,781,959	-	-	4,781,959
	(5,194,426)	-	-	(5,194,426)
Payment of Dividend	123,750,000	-	-	123,750,000
	(112,500,000)	-	-	(112,500,000)
Fees and Bank Charges paid to Axis Bank Ltd.	719,882	-	-	719,882
	(721,156)	-	-	(721,156)
Balance Outstanding				
Fixed Deposits	462,418,640	-	-	462,418,640
	(457,768,640)	-	-	(457,768,640)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Balance in current account	13,120,548	-	-	13,120,548
	(25,210,758)	-	-	(25,210,758)
Share Capital	15,000,000	-	-	15,000,000
	(15,000,000)	-	-	(15,000,000)
Interest Receivable	92,903,595	-	-	92,903,595
	(86,022,034)	-	-	(86,022,034)
Reimbursement of Staff Cost payable	5,378,263	-	-	5,378,263
	(5,162,210)	-	-	(5,162,210)
Other reimbursement of expenses payable	1,265,178	-	-	1,265,178
	(175,682)	-	-	(175,682)
Servicing Fees receivable	6,762,501	-	-	6,762,501
	(7,736,857)	-	-	(7,736,857)
Income Received in Advance	13,873,866	481,067	-	14,357,933
	(13,549,746)	(625,000)	-	(14,174,746)

* paid/ payable to Axis Bank Ltd.

Notes

1. Related party relationships and transactions have been identified by the management and relied upon by the Auditors
2. The remuneration paid to the key managerial person does not include provision made for gratuity and leave benefits as they are determined on actuarial basis for Axis Bank as a whole
3. Figures in bracket pertains to previous year

25. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006.

	31 March 2017 Amount (Rs.)	31 March 2016 Amount (Rs.)
The principal amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year	-	-

26. Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 as provided in the Table below:-

	SBNs (Rs)	Other denomination notes (Rs)	Total (Rs)
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

27. Previous Year Figures

Previous Year figures have been regrouped/reclassified where necessary, to confirm to this year's classification.

**For and on behalf of the Board of Directors
of Axis Trustee Services Ltd**

**M. Raghuraman
Managing Director & CEO**

**Sidharth Rath
Director**

Place: Mumbai
Date: 17 April, 2017