



AXIS TRUSTEE SERVICES LIMITED

ANNUAL REPORT FOR THE PERIOD

ENDED 31ST MARCH, 2019



CONTENTS

Board of Directors	3
Director's Report	4
Auditor's Report	28
Balance Sheet	36
Statement of Profit and Loss	38
Cash Flow Statement	40
Notes to Account	42



BOARD OF DIRECTORS

- | | |
|------------------------|-------------------------|
| 1. Rajesh Kumar Dahiya | Director |
| 2. Sanjay Sinha | Managing Director & CEO |
| 3. R. B. L. Vaish | Director |
| 4. Ganesh Sankaran | Additional Director |

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

Statutory Auditors

M/s Karvy Computershare Private Limited

Registrar & Transfer Agent

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

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

Corporate Office:

The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg,
Dadar West, Mumbai- 400 028, Phone: + 91 022 6230 0451

DIRECTORS' REPORT: 2018-19

To,
The Members,
AXIS TRUSTEE SERVICES LIMITED

The Board of Directors has the pleasure of presenting the Eleventh 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, 2019.

FINANCIAL PERFORMANCE

The financial highlights of the Company for the year ended March 31, 2019 are presented below:-
(Rs. In Crores)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Operating Income	35.22	34.24
Interest and other income	4.34	4.15
Gross Income	39.56	38.39
Operating Expenses	10.05	9.30
Depreciation	0.28	0.27
Provision for doubtful debtors	1.89	0.33
Other expenditure	0.30	--
Profit before Tax	27.04	28.49
Provision for Tax	8.04	8.29
Net Profit for the period	19.00	20.20
Appropriations:		
Transfer to General Reserve	1.90	2.02
Surplus carried to Balance Sheet	17.10	18.18
TOTAL	19.00	20.20

OPERATIONS, NATURE OF BUSINESS AND FUTURE OUTLOOK OF THE COMPANY

FY 19 was a challenging year for trustee business. The year witnessed least number of debenture issuance¹, muted private capex in infrastructure sector, subdued growth in banks' credit to industry², liquidity issues with NBFCs, etc. which impacted the flow of traditional businesses (Debenture Trustee/ Security Trustee).

1 FY 2019 (April -Jan) No. of issues 2048 (FY 18 -2561) Source Prime data base

2 FY 2019 (30 Mar 2018 -15 Feb 2019) 2.8% Source RBI data on Sectoral Deployment of Bank Credit

In the above backdrop, your Company's operating revenue grew by a modest 3%. The decline in net profit was largely attributable to spike in provisions for doubtful debts representing receivables due from its corporate customers and other expenditure extraordinary in nature.

These customers were under financial stress, their loan accounts were classified as NPAs by their respective lenders and quite a number of them taken to NCLT by their lenders due to defaults. The other expenditure of Rs.30 crore necessitated out of Regulatory Orders for certain procedural deficiencies observed during the inspection carried out by SEBI in October 2015 and lapses in monitoring mechanism in June 2017 in respect of some transactions handled by the Company. The company has taken necessary steps to strengthen its system of follow-up and monitoring mechanism to meet the regulatory expectations.

During the year, the company discontinued Family Office business considering the operating and reputation risks associated with this business.

The earning per share in the financial year under review was Rs. 126.69 (FY 18- Rs.134.63).

The Indian economy is expected to grow at 7.20%¹ -7.30%² in FY20 with estimated recovery of investment supported by an accommodative monetary policy. This is expected to give impetus to Security Trustee (ST)/Debenture Trustee (DT) businesses, which are the major source of the operating revenue. The Trustee Industry also expects increase in revenue flow from DT business owing to the changes made effective from 1 April 2019 by SEBI mandating all large corporates listed entities to meet minimum 25% of their incremental borrowing by way of issuance of debt securities. The Company has increased its focus on business opportunities emanating from funds raising through Alternative Investment Funds Trusts (AIFT), Real Estate Investment Trusts (REIT), Infrastructure Investment Trusts (InvIT) and Securitization Trusts. The consultation paper issued by SEBI in January 2019 proposing a new set of framework for REITs and InvITs providing flexibility to the issuers in terms of fundraising and increasing the access of these investment vehicles to retail investors has received a positive market response. Your company is the trustee to India's first and the only listed REIT issue. On the InvIT front, your company has a good market traction. The company has also been associated with first listed securitization trust transaction. In the AIFT space, the company has also made up its mark and with the scheduled launch of its office at GIFT City, Ahmedabad, in Q1FY20, the revenue from this business is expected to increase.

RESERVES

The Company proposes to transfer an amount of Rs. 1.90 Crs to the General Reserves.

DIVIDEND

The Board of Directors is pleased to recommend a Dividend of Rs. 90/- per share for the financial year ended March 31, 2019, 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. 16.27 crs.

¹Source : RBI Monetary Policy 2019

² Source : IMF World Economic Outlook April 2019

BOARD OF DIRECTORS

During the financial year under review and till the date of this report, the changes pertaining to the Board of Directors are as follows:

Sr. No	Name of the Directors	Designation	Appointment/ Cessation	With effect From
1.	Mr. Sidharth Rath (DIN:00682901)	Director	Cessation	01 st June, 2018
2.	Mr. Rajesh Kumar Dahiya (DIN: 07508488),	Director	Appointment	11 th July, 2018*
3.	Mr. M. Raghuraman (DIN: 07397084)	Managing Director & CEO	Cessation	30 th September 2018**
4.	Mr. Viswanathan Rajaraman (DIN: 01308488)	Director	Cessation	10 th October, 2018
5.	Mr. Srinivasan Varadarajan (DIN 00033882)	Chairman & Director	Cessation	20 th December, 2018
6.	Mr. Sanjay Sinha (DIN: 08253225)	Managing Director & CEO	Appointment	10 th October 2018***
7.	Mr. Ganesh Sankaran (DIN:07580955)	Additional Director	Appointment	18 th April, 2019#

* Mr. Rajesh Kumar Dahiya (DIN: 07508488), Executive Director (Corporate Centre), Axis Bank Ltd, was appointed as an additional director of the company and his appointment was regularized in the Extra Ordinary General Meeting of the Company on 27th September, 2018.

** The tenure of Mr. M. Raghuraman (DIN: 07397084) after his superannuation was extended for a period of 2 months from 1st August 2018 to 30th September 2018. Further, he ceased to be a Director on account of expiry of his tenure from the close of business hours of 30th September 2018.

*** Mr. Sanjay Sinha (DIN: 08253225) was appointed as an Additional Director, and Managing Director & CEO of the Company w.e.f October 10, 2018 for a period not exceeding 5 years. The approval of members was obtained in the Extra Ordinary General Meeting held on December 05, 2018.

Mr. Ganesh Sankaran (DIN: 07580955), Group Executive (Wholesale Banking Coverage Group), Axis Bank Ltd was appointed as an Additional Director of the Company in its Board Meeting held on 18th April, 2019 and will hold office till the date of the ensuing Annual General Meeting. The Company has received a Notice U/s 160 proposing his appointment as a Director, liable to retire by rotation at the ensuing AGM. The Board recommends the said appointment.

The Board placed on record its appreciation to the retiring directors for their help, guidance and contribution made by them during their tenure as directors.

KEY MANAGERIAL PERSONNEL

Mr. Sanjay Sinha is the Managing Director & CEO of the Company. He has varied and long experience the Banking Industry.

The Company is not required to appoint any other Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013.

RETIREMENT BY ROTATION

Mr. Ram Bharoseylal Vaish (DIN: 00150310), Non-Executive Director (NED) of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board places on record its appreciation for his contribution in guiding and supporting the Company's business and operations during his tenure as NED and recommends his offer of reappointment for consideration in the ensuing Annual General Meeting, subject to the policies of the company. Mr. Ram Bharoseylal Vaish (DIN: 00150310), has confirmed his eligibility to be re-appointed as NED at the AGM.

DETAILS OF BOARD MEETINGS

During the financial 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 2018-19 are summarized below:

Sr. No.	Date of the meeting	No. of Directors who attended the meeting
1.	April 13, 2018	5 (Five)
2.	July 11, 2018	3 (Three)
3.	October 10, 2018	4 (Four)
4.	January 14, 2019	3 (Three)

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) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2019 and of the profit of the company for the year ended on that date ;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) That the annual accounts have been prepared on a going concern basis;
- (e) That proper systems to ensure compliance with the provisions of all applicable laws was in place and the same 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 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 are enclosed as "Annexure-II" to this report.

HOLDING COMPANY

The Company continues to remain the wholly owned non-material 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	The Company has a specialized ERP system for managing its business requirements. The company continuously evaluates the ERP system to improve efficiency.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	The recent modifications in the ERP system have helped improve monitoring mechanism.
(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 company had neither earned any foreign income nor spent any foreign exchange.

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 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 Project run with CINL (Collective for Integrated Livelihood Initiatives) established by TATA Trusts in 2007. The Project is working in thematic areas for agriculture productivity, forest based livelihoods, water resource development, micro finance and strengthening

of community based institutions in the states of Odisha, Gujarat, and Jharkhand & Maharashtra. These activities are in accordance with Schedule VII of the Companies Act, 2013.

During the Financial Year 2018-19, the CSR Committee met 2 times on July 11, 2018 and January 14, 2019. During the year under review, the Company has spent Rs 54,72,293/- towards CSR activity undertaken through Axis Bank Foundation. A detailed disclosure on the same is enclosed as "Annexure-III" to this report. Further, a responsibility statement received from the members of the CSR Committee is enclosed 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, 2013

The Company has a Policy for Prevention of Sexual Harassment (POSH) to deal with the matters pertaining to the complaints of Sexual Harassment against Women under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013).

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.

REAPPOINTMENT OF 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 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, as per the applicable provisions of the Companies Act, 2013 at the time of appointment.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the term of appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 301003E/ E300005), as the Statutory Auditors of the Company shall expire at the ensuing Annual General Meeting (Eleventh Annual General Meeting) of the Company.

It is proposed to re-appoint M/s S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 301003E/ E300005) as the Statutory Auditors of the Company for a continuous period of 5 years i.e. from the conclusion of Eleventh Annual General Meeting till the conclusion of Sixteenth Annual General Meeting of the Company, and to authorise the Board of Directors to determine their remuneration.

The Board of Directors recommend the reappointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the company for a continuous period of 5 years i.e. from the conclusion of Eleventh Annual General Meeting till the conclusion of Sixteenth Annual General Meeting of the Company on a remuneration as approved by the Board of Directors.

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.

SECRETARIAL COMPLIANCE

Your company is not mandatorily required to obtain a Secretarial Audit Report as per the Companies Act, 2013 but has got a limited verification carried out by a practicing firm of Company Secretary in line with the Companies Act 2013 and Secretarial Standards 1 & 2 and rules, regulations as issued by Ministry of Corporate Affairs. The Secretarial Auditor certified that the company has generally complied with the Provisions of the Companies Act, 2013 & the Secretarial Standards.

ORDERS PASSED BY REGULATORS/ COURT/TRIBUNALS:

During the FY under review, SEBI had passed the following orders against the Company:

1. Adjudication Order dated July 11, 2018 issued under Section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995.
2. Settlement Order dated April 2, 2019 under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and SEBI (Settlement Proceedings) Regulations, 2018.

The Company is committed to ensure due compliance of all the provisions of the SEBI Act, Rules and Regulations.

OTHER DISCLOSURES:

1. The Company has not issued any Securities under the ESOP Scheme or as Sweat Equity to its employees, requiring any disclosures of the same in this Report.
2. The Company has not accepted any deposits, under the provisions of the Companies Act, 2013 during the period of review.
3. The Board of Directors confirm their compliance with the provisions of the Secretarial Standards – 1 & 2 issued by the ICSI under the provisions of Section 118(10) of the Companies Act, 2013, during the year under review.
4. There are no frauds reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

The Company is not required to maintain any cost records under the provisions of Section 148(1) of the Companies Act, 2013, during the Financial Year under review.

ACKNOWLEDGEMENT

The Board of Directors would like to express its gratitude for all the guidance and co-operation received from its Holding Company – Axis Bank Limited. The Board also places on record its gratitude to Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Reserve Bank of India, Financial Institutions, Bankers, Advisors, Consultants, 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 Board acknowledges the support of Members and also places on record its sincere thanks to its valued clients and partners for their continued patronage.

The Board also expresses its 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

**Sd/-
Sanjay Sinha
Managing Director & CEO
DIN: 08253225**

**Sd/-
Rajesh Dahiya
Director
DIN: 07508488**

**Date: April 18, 2019
Place: Mumbai**

**Date: April 18, 2019
Place: Mumbai**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[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	<p><u>Registered Office:</u></p> <p>Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli, Mumbai, Maharashtra-400025, INDIA Telephone No: 022-66260054</p> <p><u>Corporate Office:</u></p> <p>The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai- 400 028 Phone: + 91 022 6230 0451</p>
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>Karvy Computershare Private Limited</p> <p>Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, India</p> <p>Telephone No - +91-40-671612222</p> <p>e-mail: support@karvy.com</p>

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	91.00%

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 380 006 India.	L65110GJ1993PLC020 769	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		% Change 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	
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp	0	0	0	0	0	0	0	0	
e) Banks / FI	1499930	0	1499930	99.995	1499940	0	1499940	99.996	0.000667
f) Any Other*	70	0	70	0.005	60	0	60	0.004	(0.000667)
Sub-total(A)(1):-	1500000	0	1500000	100	1500000	0	1500000	100	
2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0

b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) 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 60 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	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	% change in shareholding during the year
1.	Axis Bank Limited	1499930	99.995		1499940	99.996	0	0.000667
2.	Mr. Sidharth Rath (Nominee of Axis Bank Limited)	10	0.000667		--	--	--	(0.000667)
3.	Mr. Anirban Chakraborty (Nominee of Axis Bank Limited)	10	0.000667		--	--	--	(0.000667)
4.	Mr. Bipin Kumar Saraf (Nominee of Axis Bank Limited)	10	0.000667		--	--	--	(0.000667)
5.	Mr. M. Raghuraman (Nominee of Axis Bank Limited)	10	0.000667	--	---	----	--	(0.000667)
6.	Mr. K. Vishwanathan (Nominee of Axis Bank Limited)	10	0.000667	---	10	0.000667	---	---
7.	Mr. Advait Majmudar (Nominee of Axis Bank Limited)	10	0.000667	--	10	0.000667	---	---
8.	Mr. Neelesh Radheshyam Baheti (Nominee of Axis Bank Limited)	10	0.000667	---	10	0.000667	---	---

9.	Mr. Himadri Shekhar Chatterjee (Nominee of Axis Bank Limited)	---	---	---	10	0.000667	---	0.000667
10.	Mr. Sanjay Silas (Nominee of Axis Bank Limited)	---	---	---	10	0.000667	---	0.000667
11.	Mr. Cyril Anand Madireddi (Nominee of Axis Bank Limited)	---	---	---	10	0.000667	---	0.000667
Total		1500000	100	---	1500000	100	---	

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

Name of the shareholders	Shareholding at the beginning of the year 2018		Transaction during the year		Cumulative shareholding at the end of the year 2019	
	No of shares held	% of Total shares of the Company	*Date of Transfer/ change in the Nominee Shareholders	No of shares	No of shares held	% of Total shares of the Company
Axis Bank Limited	1499930	99.99533	11-07-2018	10	1499940	99.996
At the end of the year					1499940	99.996
Mr. Sidharth Rath (Nominee of Axis Bank Limited)	10	0.000667	11-07-2018	(10)	0	0
At the end of the year					0	0
Mr. Anirban Chakraborty (Nominee of Axis Bank Limited)	10	0.000667	11-07-2018	(10)	0	0
At the end of the year					0	0
Mr. Bipin Kumar Saraf (Nominee of Axis Bank Limited)	10	0.000667	11-07-2018	(10)	0	0
At the end of the year					0	0
Mr. M. Raghuraman (Nominee of Axis Bank Limited)	10	0.000667	10-10-2018	(10)	0	0
At the end of the year					0	0
Mr. K. Vishwanathan (Nominee of Axis Bank Limited)	10	0.000667	--	--	10	0.000667
At the end of the year			---	--	10	0.000667
Mr. Advait Majmudar (Nominee of Axis Bank Limited)	10	0.000667	----	--	10	0.000667
At the end of the year				--	10	0.000667
Mr. Neelesh Radheshyam Baheti (Nominee of Axis Bank Limited)	10	0.000667	----	--	10	0.000667
At the end of the year				--	10	0.000667
Mr. Sanjay Silas (Nominee of Axis Bank Limited)	---	---	11-07-2018	10	10	0.000667

Name of the shareholders	Shareholding at the beginning of the year 2018		Transaction during the year		Cumulative shareholding at the end of the year 2019	
	No of shares held	% of Total shares of the Company	*Date of Transfer/ change in the Nominee Shareholders	No of shares	No of shares held	% of Total shares of the Company
At the end of the year	---	---	----	10	10	0.000667
Mr. Cyril Anand (Nominee of Axis Bank Limited)	---	---	11-07-2018	10	10	0.000667
At the end of the year	---	---	----	10	10	0.00067
Mr. Himadri Chatterjee (Nominee of Axis Bank Limited)	---	---	10-10-2018	10	10	0.00067
At the end of the year				10	10	0.00067
Total	1500000	100			1500000	100

***The change in Nominee shareholders of the company were noted and approved in the Board Meeting dated July 11, 2018 & October 10, 2018 respectively.**

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				
i) Principal Amount	0	0	0	0
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	Name of Managing Director & CEO	Total
		Mr. M Raghuraman Managing Director & CEO (From 01 st April, 2018 till September 30, 2018)	Mr. Sanjay Sinha Managing Director & CEO (From 10 th October, 2018 till 31 st March, 2019)	
	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74,71,910	13,08,600	---
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	---	---	---
	Stock Option	---	---	---
	Sweat Equity	---	---	---
	Commission	---	---	---
	- as % of profit	---	---	---
	- others, specify	---	---	---
	Others, please specify:	---	---	---
	Other allowances	---	27,14,559	
	Total	74,71,910	40,23,159	1,14,95,069
	Ceiling As per the Act	1,32,01,264.6	1,32,01,264.6	2,64,02,529
		(5% of Net Profit u/s 198)	(5% of Net Profit u/s 198)	(10% of Net Profit u/s 198)

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 · Commission · Others, please specify	Nil		Nil
	Total(1)	-	-	-
	Other Non –Executive Directors: · Fee for attending Board and Committee Meetings · Commission · Others, please specify	Mr.Rajaraman Viswanathan 1,20,000/-	Mr. Ram Bharoseylal Vaish 1,20,000/-	2,40,000/-
	Total(2)	--	---	--
	Total(B)=(1+2)	1, 20,000/-	1,20,000/-	2,40,000/-
	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 - as% of profit - others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0

Details of remuneration paid to CEO already stated in Point A. above

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

**Sd/-
Sanjay Sinha
Managing Director &CEO
DIN: 08253225**

**Date: April 18, 2019
Place: Mumbai**

**Sd/-
Rajesh Dahiya
Director
DIN: 07508488**

**Date: April 18, 2019
Place: Mumbai**



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) 4. Axis Asset Management Company Limited (Fellow Subsidiary)
-----	---	---	--

(b)	Nature of contracts / arrangements / transactions	:	<ol style="list-style-type: none"> 1. Re-imbursement 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	:	13.04.2018
(f)	Amount paid as advances, if any	:	NIL

For and on behalf of the Board of Directors

**Sd/-
Sanjay Sinha
Managing Director &CEO
DIN: 08253225**

**Date: April 18, 2019
Place: Mumbai**

**Sd/-
Rajesh Dahiya
Director
DIN: 07508488**

**Date: April 18, 2019
Place: Mumbai**

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 promote seed production and stabilize agriculture production of marginal and poor tribal farmers using low external input agriculture pattern.
- ii. To implement innovative soil and water conservation measures enhancing soil fertility and fodder availability.

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>

3. The composition of the CSR Committee:

- | | |
|------------------------------|------------|
| 1. Mr. Ram Bharoseylal Vaish | - Chairman |
| 2. Mr. Rajesh Kumar Dahiya | - Director |
| 3. Mr. Sanjay Sinha | - MD& CEO |

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

Financial Year	Profit before Tax	Average of three years
2015-16	27,77,40,364.98	54,72,292.68
2016-17	25,88,97,239.00	
2017-18	28,42,06,298.00	

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

Based on the above arrived figures, your company earmarked a sum of Rs. 54,72,292.68/- during the financial year 2018-19 towards CSR initiatives.

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

- a) Total amount to be spent for the financial year – Rs. 54,72,292.68 /-
 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.	Rural Livelihood	Agriculture Productivity, Livestock and Rural Entrepreneurship	a) 1. CINL (Collective for Integrated Livelihood Initiatives) 2. Churchu Block, Hazaribagh district , Jharkhand	Rs. 54.72 Lacs	Rs. 54.72 Lacs	Rs. 54.72 Lacs	Rs. 54.72 Lacs

***Implementing Agency - Axis Bank Foundation**

7. 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
8. 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.

Sd/-
Ram Bharoseylal Vaish
 Chairman of CSR Committee
 DIN 00150310

Sd/-
Sanjay Sinha
 MD and CEO
 DIN 08253225

Date: April 18, 2019
 Place: Mumbai

Date: April 18, 2019
 Place: Mumbai



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.

**Sd/-
Ram Bharoseylal Vaish
Chairman of CSR Committee
DIN 00150310**

**Date: April 18, 2019
Place: Mumbai**

**Sd/-
Sanjay Sinha
MD and CEO
DIN 08253225**

**Date: April 18, 2019
Place: Mumbai**

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Trustee Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Axis Trustee Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 Act and the Rules thereunder, 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014". 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 controls, 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.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 influence the economic decisions of users taken on the basis of these 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 Act, 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.

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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) 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, as amended 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 and

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

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Jitendra H. Ranawat
Partner

Membership Number: 103380
Date: April 18, 2019
Place: Mumbai

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 the 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 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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, goods & services 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, goods & services 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, there are no dues of income tax, sales-tax, goods and service tax and cess which have not been deposited on account of any dispute. The provisions relating to duty of custom, duty of excise and employees' state insurance are not applicable to the Company.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

- (ix) 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 the Company or no fraud on the Company by the officers and employees of 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 and, 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

Sd/-
per Jitendra H. Ranawat
Partner
Membership Number: 103380

Place: Mumbai
Date: April 18, 2019

ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 2019 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 with reference to these financial statements 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 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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 S.R. Batliboi & CO. LLP Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Jitendra H. Ranawat
Partner

Membership Number: 103380
Place: Mumbai
Date: April 18, 2019

Axis Trustee Services Limited
Balance Sheet as at 31st March , 2019

	Note No.	Amount (Rs)	
		31 March 2019	31 March 2018
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,50,00,000	1,50,00,000
Reserves & surplus	4	61,46,18,355	58,72,97,416
		62,96,18,355	60,22,97,416
Non-current liabilities			
Other long term liabilities	5	5,77,170	7,89,034
Long term provisions	6	10,02,058	17,05,947
		15,79,228	24,94,981
Current liabilities			
Trade payables	7	2,22,61,711	30,85,681
Other current liabilities	7	2,83,67,779	11,07,91,078
Short term provisions	6	1,16,29,007	1,01,90,045
		6,22,58,497	12,40,66,804
	Total	69,34,56,080	72,88,59,201
Assets			
Non-current assets			
Fixed assets			
Property, Plant & Equipment	8	15,20,101	10,31,048
Intangible assets	9	41,05,767	60,57,305
Intangible assets under development		9,54,500	2,90,000
Deferred tax assets (net)	10	75,93,439	17,06,123
Loans & Advances	12	-	90,88,212
Other non-current assets	14	6,43,00,000	28,90,00,000
		7,84,73,807	30,71,72,688

Current assets			
Current Investments	11	2,06,42,117	8,46,26,238
Loans & Advances	12	11,36,335	32,38,855
Trade receivables	13	3,24,46,378	4,32,27,634
Cash and Bank balances	15	51,98,95,144	26,66,46,050
Other current assets	14	4,08,62,300	2,39,47,736
		61,49,82,273	42,16,86,513
		69,34,56,080	72,88,59,201
	Total		
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

Sd/-
per Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: April 18 ,2019

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

Sd/-
Sanjay Sinha
Managing Director & CEO
DIN: 08253225
Place: Mumbai
Date: April 18 ,2019

Sd/-
Rajesh Dahiya
Director
DIN:07508488
Place: Mumbai
Date: April 18,2019

Axis Trustee Services Limited

Statement of Profit and Loss for the year ended 31st March, 2019.

	Note No.	Amount (Rs)	
		31 March 2019	31 March 2018
Income			
Revenue from operations	16	35,21,74,040	34,24,18,705
Other income	17	4,33,85,633	4,14,61,013
Total revenue (I)		39,55,59,673	38,38,79,719
Expenses			
Employee benefit expense	18	6,23,79,369	6,23,59,406
Other expenses	19	4,01,64,431	3,06,92,147
Provision for Doubtful Debts & Advances		1,98,08,348	32,93,688
Depreciation and amortisation	20	27,51,886	27,01,943
Total expenses (II)		12,51,04,034	9,90,47,184
Profit before tax (I-II)		27,04,55,639	28,48,32,535
Tax expense:			
Current Tax		8,62,66,023	8,42,62,010
Deferred Tax		(58,87,323)	(13,80,374)
Total tax expense		8,03,78,700	8,28,81,637
Profit/(Loss) for the Year		19,00,76,939	20,19,50,898
Earnings per equity share (nominal value Rs. 10 ; previous year Rs. 10)			
Basic	21	126.72	134.63
Diluted	21	126.72	134.63
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

Sd/-
per Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: April 18 ,2019

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

Sd/-
Sanjay Sinha
Managing Director & CEO
DIN : 08253225
Place: Mumbai
Date: April 18 ,2019

Sd/-
Rajesh Dahiya
Director
DIN: 07508488
Place: Mumbai
Date: April18 ,2019

Axis Trustee Services Limited

Cash Flow Statement for the year ended 31st March, 2019

Cash flow from operating activities	Amount (Rs.)	
	March 31,2019	March 31,2018
Profit before tax from continuing operations	27,04,55,639	28,48,32,534
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	27,51,886	27,01,943
Provision for doubtful debts (net)	1,88,20,963	(12,70,680)
Loss on disposal/ write off on property,plant & equipment /intangible assets pertaining to continuing operations	-	-
Net Gain on sale of current investments	(64,30,347)	(6,26,236)
Interest Income	(3,68,20,286)	(3,42,21,640)
Operating profit before working capital changes	24,87,77,855	25,14,15,920
Movements in working capital :		
Increase/ (decrease) in trade payables	1,91,76,030	(2,36,207)
Increase / (decrease) in long-term provisions	(7,03,889)	3,70,196
Increase / (decrease) in short-term provisions	14,38,962	(3,95,290)
Increase/ (decrease) in other current liabilities	(8,24,23,299)	27,98,843
Increase/ (decrease) in other long-term liabilities	(2,11,864)	6,56,924
Decrease / (increase) in trade receivables	(80,39,707)	1,24,04,759
Decrease / (increase) in Loans & Advances	21,02,520	(14,12,788)
Decrease / (increase) in other current assets	(61,82,595)	(12,09,323)
Cash generated from operations	17,39,34,015	26,43,93,033
Direct taxes paid (net of refunds)	(7,71,77,812)	(8,25,80,982)
Net cash flow from operating activities (A)	9,67,56,203	18,18,12,051
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(19,53,901)	(11,65,000)
Investments in bank deposits (having original maturity of more than three months)	(26,07,77,850)	(44,26,22,150)

Redemption/ maturity of bank deposits (having original maturity of more than three months)	22,47,00,000	36,31,18,640
Purchase of current investments	(5,00,00,000)	(7,60,00,000)
Proceeds from sale/maturity of current investments	12,04,14,468	1,45,00,000
Interest income	2,60,88,324	10,98,84,154
Net cash flow from/ (used in) investing activities (B)	5,84,71,041	(3,22,84,356)
Cash flows from financing activities		
Dividend paid on equity shares	(13,50,00,000)	(12,37,50,000)
Tax on equity dividend paid	(2,77,56,000)	(2,51,92,588)
Net cash flow from/ (used in) in financing activities (C)	(16,27,56,000)	(14,89,42,588)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(75,28,756)	5,85,109
Cash and cash equivalents at the beginning of the year	1,37,23,900	1,31,38,791
Cash and cash equivalents at the end of the year	61,95,144	1,37,23,900
Components of cash and cash equivalents		
With banks- on current account incl. Cash in Hand	61,95,144	1,37,23,900
Total cash and cash equivalents (note 15)	61,95,144	1,37,23,900

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) 3 -Cash Flow Statements notified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules,2014 and the Companies (Accounting Standards) Amendment Rules,2016.

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

Sd/-
Per Jitendra H Ranawat
Partner
Membership No: 103380

Sd/-
Sanjay Sinha
Managing Director &CEO
DIN: 08253225

Sd/-
Rajesh Dahiya
Director
DIN: 07508488

Place: Mumbai
Date: April 18, 2019

Place: Mumbai
Date: April 18, 2019

Place: Mumbai
Date: April 18, 2019

Notes to Financial statements for the year ended 31 March 2019

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/ 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. Summary 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

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

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) Intangible Assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds five years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

(g) 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.

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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Authorized shares		
5,000,000 (31 March 2018: 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 2018: 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 2019		31 March 2018	
	No.	Amount (Rs.)	No.	Amount (Rs.)
At the beginning of the period	1,500,000	15,000,000	1,500,000	15,000,000
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, 2019 the amount of per share dividend recognized as distributions to equity shareholders is Rs.90 per share (31 March, 2018: Rs. 90 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 2019	As at 31 March 2018
	Amount (Rs.)	Amount (Rs.)
Axis Bank Limited, the holding company and its nominees		
1,500,000 (31 March 2018: 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 2019		As at 31 March 2018	
	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 2019 Amount (Rs.)	As at 31 March 2018 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 2019: Rs. 90 per share (31 March 2018: Rs.90 per share)	135,000,000	135,000,000
Dividend Distribution Tax on proposed dividend	27,756,000	27,756,000
	162,756,000	162,756,000

4. Reserves and surplus

	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)
General reserve		
Balance as per the last financial statements	120,628,080	100,432,990
Add: amount transferred from surplus balance in the statement of profit and loss	19,007,693	20,195,090
Closing Balance	139,635,773	120,628,080
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	466,669,336	433,856,116
Profit for the year	190,076,939	201,950,898
Less: Appropriations		
Dividend on equity shares (amount per share Rs. 90 per share)	(135,000,000)	(123,750,000)
Dividend Distribution Tax	(27,756,000)	(25,192,588)
Transfer to general reserve	(19,007,693)	(20,195,090)
Total appropriations	(181,763,693)	(169,137,678)
Net surplus in the statement of profit and loss	474,982,582	466,669,336
Total reserves and surplus	614,618,355	587,297,416

5. Other long-term liabilities

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Unearned revenue	577,170	789,034
	577,170	789,034

6. Provisions

	Long-term		Short-term	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Provision for employee benefits				
Provision for gratuity (Refer Note 22)	10,02,058	1,191,101	210,151	147,195
Provision for leave benefits	-	514,846	2,694,781	436,484
Provision for variable pay	-	-	6,454,000	6,889,698
	10,02,058	1,705,947	9,358,932	7,473,377
Other provisions				
Provision for expenses	-	-	2,270,075	2,716,668
	-	-	2,270,075	2,716,668
	10,02,058	1,705,947	11,629,007	10,190,045

7. Other current liabilities

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Trade Payables (Refer note 25 for details of dues to micro and small enterprises)	3,041,939	2,196,374
Advance From Customers	19,219,772	889,300
	22,261,711	3,085,674
Other liabilities		
Unearned revenue	7,083,293	100,646,488
Others:		
Undisputed Statutory Dues Payable	3,435,332	10,143,618
Due to the holding company (Axis Bank)		971
Provision for income tax after adjusting Advance Tax (after adjusting advance tax : Rs. 8,716,449 Current Year ; Rs. NIL previous year)	17,849,154	-
	28,367,779	110,791,077
	50,629,490	113,876,751

8. Property plant and equipment

	Computers	Computer Servers	Office Equipment's	Mobiles	Furniture and Fixtures	Total
Cost						
At 1 April 2017	2,343,814	1,012,200	23,521	73,750	1,358,374	4,811,659
Additions						
Disposals	-	-	-	-	-	-
At 31 March 2018	2,343,814	1,012,200	23,521	73,750	1,358,374	4,811,659
Additions	1,289,400	-	-	-	-	1,289,400
Disposals	-	-	-	-	-	-
At 31 March 2019	3,633,214	1,012,200	23,521	73,750	1,358,374	6,101,059
Depreciation						
At 1 April 2017	1,698,882	584,152	6,242	73,750	603,431	2,966,457
Charge for the year	338,598	337,366	2,352	-	135,837	814,153
Disposals	-	-	-	-	-	-
At 31 March 2018	2,037,480	921,518	8,594	73,750	739,268	3,780,610
Charge for the year	571,478	90,682	2,352	-	135,837	800,348
Disposals	-	-	-	-	-	-
At 31 March 2019	2,608,958	1,012,200	10,947	73,750	875,105	4,580,958
Net Block						
At 31 March 2018	306,334	90,682	14,926	-	619,106	1,031,048
At 31 March 2019	1,024,256	-	12,574	-	483,269	1,520,101

9. Intangible assets

Computer Software	
Gross block	
At 1 April 2017	8,930,436
Additions	875,000
Disposal/write off	
At 31 March 2018	9,805,436
Additions (including capitalized during the year)	
Disposal/Write off	-
At 31 March 2019	9,805,436
Amortization	
At 1 April 2017	1,860,341
Charge for the year	1,887,790
Disposal/write off	-
At 31 March 2018	3,748,131
Charge for the year	1,951,538
Disposal/Write off	
At 31 March 2019	5,699,669
Net block	
At 31 March 2018	6,057,305
At 31 March 2019	4,105,767

10. Deferred tax asset (net)

	31 March 2019 Amount (Rs.)	31 March 2018 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	-	-
Property, plant and equipment and intangible assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	67,337	
	1,056,226	1,002,076
Provision for Gratuity & leave encashment		
	6,469,876	949,900
Provision for doubtful debts		
Gross deferred tax asset	7,593,439	19,51,983
Deferred tax liability		
Property, plant and equipment and intangible assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	245,860
Gross deferred tax liability	-	245,860
Net deferred tax asset	7,593,439	1,706,123

11. Investments

	Non-Current		Current	
	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)
Investments valued at Cost				
Investment in Mutual Funds (Market Value Rs. 20,873,805) (Previous Year 89,798,506)	-	-	20,642,117	84,626,238
	-	-	20,642,117	84,626,238

12. Loans & Advances

	Non-Current		Current	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	Amount	Amount	Amount	Amount
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Other Loans & Advances				
Unsecured, considered good				
Prepaid expenses	-	-	385,142	781,970
Deposit with Central Registry	-	-	751,193	657,752
GST/Service Tax receivable	-	-	852,385	1,799,133
Less: Provision for Advances			(852,385)	
Advance payment of income tax / tax deducted at source (after adjusting provision for tax: Current Year NIL; previous year : Rs. 599,662,662)		9,088,212		
	-	9,088,212	1,136,335	3,238,855

13. Trade receivables

	Non-Current		Current	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	Amount	Amount	Amount	Amount
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Outstanding for a period exceeding six months from the date they are due -for payment				
Unsecured, considered good	-	-	11,552,759	11,472,269
Doubtful	-	-	20,974,536	1,752,313
			32,527,294	13,224,582
Provision for doubtful receivables	-	-	20,974,536	1,752,313
(a)	-	-	11,552,759	11,472,269
Other receivables				
Unsecured, considered good	-	-	20,893,619	31,755,365
Doubtful	-	-	1,275,115	1,541,375
	-	-	22,168,734	33,296,740
Provision for doubtful receivables	-	-	1,275,115	1,541,375
(b)	-	-	20,893,619	31,755,365
Total (a + b)	-	-	32,446,378	43,227,634

14. Other assets

	Non-Current		Current	
	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Note 15)	64,300,000	289,000,000	-	-
	64,300,000	289,000,000	-	-
Others				
Interest accrued on fixed deposits	-	-	27,973,055	17,241,087
Other Deposits	-	-	169,060	
Due from the holding company (Axis Bank)	-	-	127,20,185	6,706,649
	-	-	40,862,300	23,947,736
	64,300,000	289,000,000	40,862,300	23,947,736

15. Cash and bank balances

	Non-current		Current	
	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)
Cash and cash equivalents				
- Cash-in-hand			3,137	-
- On current accounts	-	-	6,192,007	13,723,900
	-	-	6,195,144	13,723,900
Other bank balances				
- Deposits with remaining maturity for more than 12 months	64,300,000	289,000,000	-	-
-- Deposits with remaining maturity for less than 12 months	-	-	513,700,000	252,922,150
	64,300,000	289,000,000	513,700,000	252,922,150
Amount disclosed under non-current assets (Note 14)	(64,300,000)	(289,000,000)		
	-	-	519,895,144	266,646,050

16. Revenue from operations

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Revenue from operations		
Rendering of services	352,174,040	342,418,705
Revenue from operations	352,174,040	342,418,705

Detail of services rendered

Initial acceptance fees	78,049,910	71,187,711
Annual fees	229,300,285	230,454,163
Servicing fees	44,823,845	40,776,831
	352,174,040	342,418,705

17. Other income

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Interest income on bank deposits	36,820,286	34,221,640
Profit on sale of mutual fund	6,430,347	626,236
Recovery of Doubtful Debts	135,000	6,613,137
	43,385,633	41,461,013

18. Employee benefit expense

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Salaries, wages and bonus (including amount paid to employees on deputation)	59,953,870	59,899,808
Contribution to provident and other funds	1,471,030	1,363,065
Gratuity expense (Refer Note 22)	241,363	405,423
Staff welfare expenses	713,106	691,110
	62,379,369	62,359,406

19. Other expenses

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Power and fuel	6,51,472	737,985
Rent	8,726,941	6,633,120
Rates and taxes	593,018	494,848
Advertising and business promotion	105,000	-
Travelling and conveyance	1,161,289	1,576,286
Conference Expenses	1,593,661	1,741,784
Communication expenses	791,339	876,927
Printing and stationery	49,415	33,395
Professional & legal fees	6,242,382	4,068,172
Directors' sitting fees	240,000	220,000
Bank charges	943	5,721
DP charges	88,400	900
Registration fees	5,58,492	216,138
Payment to auditor (Refer details below)	1,320,569	1,163,673
Bad debts written off	-	2,048,769
Provision for Doubtful Debts & Advances	19,808,348	3,293,688
Annual Maintenance Charges	18,64,410	1,716,840
Referral fees	15,000	54,000
CSR expenditure (Refer details below)	5,472,293	5,252,365
Office expenses	7,697,619	3,851,224
Penalties to Regulators	2,992,188	-
	59,972,779	33,985,835

Details of CSR Expenditure

	31 March 2019	31 March 2018
	Amount (Rs.)	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	5,472,293	5,252,365
	5,472,293	5,252,365

Payment to auditor

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
As auditor:		
Audit fee	1,300,000	1,150,000
In other capacity:		
Reimbursement of expenses	20,569	13,673
	1,320,569	1,163,673

20. Depreciation and amortization expense

	31 March 2019	31 March 2018
	Amount (Rs.)	Amount (Rs.)
Depreciation of Property, plant and equipment assets	800,348	814,153
Amortization of intangible assets	1,951,538	1,887,790
	2,751,886	2,701,943

21. Earnings per share (EPS)

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

	31 March 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)
Total operations for the year		
Profit after tax	190,030,866	201,950,898
Net profit for calculation of basic EPS	190,030,866	201,950,898
Net profit as above	190,030,866	201,950,898
Net profit for calculation of diluted EPS	190,030,866	201,950,898
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.126.69	Rs. 134.63
Diluted earnings per share	Rs.126.69	Rs. 134.63

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 2019	31 March 2018
Current service cost	350,280	326,441
Net Interest cost	98,365	65,720
Net Actuarial (gains) / losses	(207,082)	10,882
Past Services cost-Vested Benefit Recognized during the period	-	2,380
Net Expenses recognized in the statement of profit or loss	241,363	405,423

Balance Sheet

Particulars	Gratuity	
	31 March 2019	31 March 2018
Defined benefit obligation	1,212,209	1,338,296
Fair value of plan assets	-	-
Unrecognised past service cost	-	-
Net (Liability)/Asset Recognised in the Balance Sheet	(1,212,209)	(1,338,296)

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

Particulars	Gratuity	
	31 March 2019	31 March 2018
-Opening defined benefit obligation	1,338,296	959,423
Net Interest cost	98,365	65,720
Current service cost	350,280	326,441
Past Services cost-Vested Benefit Recognized during the period	-	2,380
Benefits paid	(367,450)	(26,550)
Actuarial (gains) / losses on obligation- due to change in Demographic assumptions	(193,979)	-
Actuarial (gains) / losses on obligation- due to change in financial assumptions	25267	(33,856)
Actuarial (gains) / losses on obligation – due to experience	(38,570)	44,738
Present Value of Benefit Obligation at the end of the period	1,212,209	1,338,296

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

Particulars	31 March 2019	31 March 2018
Discount rate	6.66%	7.35%
Increment rate	10%	10%
Attrition rate	30%	20%

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 2019	31 March 2018	31 March 2017	31 March 2016
Defined benefit obligation	1,212,209	1,338,296	959,423	512,198
Fair value of plan assets		-	-	-
Unrecognised past service cost		-	-	-
Net (Liability)/Asset Recognised in the Balance Sheet	(1,212,209)	(1,338,296)	(959,423)	(512,198)

23. Operating Lease : Company as Lessee

The Company has entered into Lease 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 2019 Amount (Rs.)	31 March 2018 Amount (Rs.)
Less than one year	2,674,208	1,658,280

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. Sanjay Sinha (Managing Director & CEO) Mr. M Raghuraman (Director uptill Sep30 2018)
Fellow Subsidiary Companies	Axis Private Equity Limited
	Axis Finance Limited
	Axis Mutual Fund Trustee Limited
	Axis Asset Management Company Limited
	Axis Bank U.K. Limited
	Axis Capital Limited Step down subsidiary : Axis Capital USA LLC w.e.f 2.08.2017
	Axis Securities Limited
	A. Treds Limited
	Freecharge Payment Technologies Private Limited w.e.f. 6.10.2017
	Accelyst Solutions Private Limited w.e.f. 6.10.2017

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	36,820,286			36,820,286
	(34,221,640)	-	-	(34,221,640)
Servicing Fees	37,867,598			37,867,598
	(40,776,831)	-	-	(40,776,831)
Rendering of services (Axis Finance Limited)	-	1,137,500	-	1,137,500
	-	(268,033)	-	(268,033)
Rendering of services (Axis Capital Limited)	-	300,000	-	300,000
	-	(300,000)	-	(300,000)
Rendering of services (Axis Asset Management Co. Limited)	-	200,000	-	200,000
	-	(200,000)	-	(200,000)
Expenses				
Rent Paid	8,726,941	-	-	8,726,941
	(6,633,120)	-	-	(6,633,120)
Reimbursement of Staff Cost	17,903,133	-	10,101,507*	28,004,640
	(20,663,354)	-	(10,383,176)	(34,323,942)
Other reimbursement of expenses	5,185,746	-	-	5,185,746
	(4,208,270)	-	-	(4,208,270)
Payment of Dividend	135,000,000	-	-	135,000,000
	(123,750,000)	-	-	(123,750,000)
Fees and Bank Charges paid to Axis Bank Ltd.	53,473	-	-	53,473
	(317,490)	-	-	(317,490)
Balance Outstanding				
Fixed Deposits	578,000,000			578,000,000
	(541,922,150)	-	-	(541,922,150)
Balance in current account	5,805,784			5,805,784
	(13,711,678)	-	-	(13,711,678)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Share Capital	15,000,000	-	-	15,000,000
	(15,000,000)	-	-	(15,000,000)
Interest Receivable	27,973,055	-	-	27,973,055
	(17,241,087)	-	-	(17,241,087)
Reimbursement of Staff Cost payable	3,304,000	-	-	3,304,000
	(3,889,698)	-	-	(3,889,698)
Other reimbursement of expenses payable	-	-	-	-
	(971)	-	-	(971)
Servicing Fees receivable	113,99,637	-	-	113,99,637
	(6,462,992)	-	-	(6,462,992)
Income Received in Advance	7,472,579	-	-	7,472,579
	(15,178,823)	(481,967)	-	(15,660,790)
Other reimbursement of expenses payable	-	-	-	-
	(243,657)	-	-	(243,657)

* 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 2019	31 March 2018
	Amount (Rs.)	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. Capital and other commitments

As at 31 March 2019, the Company has capital commitments of Rs.8,00,500/- relating to development of Business Software (Previous Year Rs. 15,00,000)

27. Previous Year Figures

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

As per our report of even date

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

Sd/-
per Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: April 18, 2019

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

Sd/-
Sanjay Sinha
Managing Director & CEO
DIN: 08253225

Place: Mumbai
Date: April 18, 2019

Sd/-
Rajesh Dahiya
Director
DIN: 07508488

Place: Mumbai
Date: April 18, 2019