

DIRECTORS' REPORT

To,
The Members,
AXIS TRUSTEE SERVICES LIMITED

Your Directors have pleasure in presenting before you the Seventh Annual Report on the operations of the Company together with the Audited Accounts for the year ended March 31, 2015.

FINANCIAL PERFORMANCE

The financial highlights of the Company for the year ended March 31, 2015 are presented below:-

(Rs. In Crores)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Income from trusteeship services	28.05	24.31
Interest and other income	3.99	3.66
Gross Income	32.04	27.97
Operating Expenses (excluding depreciation)	6.65	5.64
Profit before Depreciation, Provisions and Tax	25.39	22.33
Depreciation	0.05	0.05
Provision for Tax	8.61	7.46
Other Provisions	0.20	0.33
Net Profit for the period	16.53	14.49
Appropriations:		
Transfer to General Reserve	1.65	1.45
Proposed Dividend	11.25	10.50
Tax on Dividend	2.29	1.78
Surplus carried to Balance Sheet	1.34	0.76
TOTAL	16.53	14.49

OPERATIONS AND FUTURE OUTLOOK OF THE COMPANY

We are glad to inform you that your Company continues to maintain its consistent track record of strong performance. During the year under review the Revenue of the company has increased from Rs. 27.97 Crores to Rs 32.04 Crores, registering a growth of 15% over the previous year. The Profit before depreciation and taxation stood at Rs. 25.19 Crores as against Rs. 22 Crores in the previous year and Profit available for appropriation after providing depreciation and taxation stands at Rs.16.53 Crores as against Rs.14.49 Crores in the previous period. The earning per share in the year 2014-2015 is Rs. 110/- per share as against Rs. 97/- per share in the year 2013-2014.

Corporate Trustee business witnessed a muted growth during the year ended 31st March 2015 due to poor credit off take. Loan demand was sluggish in the financial year, amid a slowing pace of industrial activity, affecting growth in Security Trustee business. However, your company capitalized on the debenture issues and acted as Debenture Trustee in 137 issues, compared to 92 in the previous year. Your company continued to focus on new client acquisition along with deepening the existing ones. One of the challenges faced by your company during the year ended 31st March 2015 was the delayed collection of receivables.



The company has initiated appropriate steps towards faster recovery of debtors and the position is expected to improve in Financial Year 2015-16.

During Financial Year 2015-2016, the company proposes to add Family Office business and Alternate Investment Fund Trustee business to augment its revenue. Your company is targeting a fee income growth of 20% in FY 2015-16.

RESERVES

The Company proposes to transfer an amount of Rs.1.65 Crores to the General Reserves.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 75/- per share (750%) for the year ended March 31, 2015 as compared to previous year Rs. 70/- per share (700%) on pro rata basis, subject to approval of the Shareholders in the Annual General Meeting (AGM).

BOARD OF DIRECTORS

During the year under review there is no change in composition of Board of Directors.

Mr. Ram Bharoseylal Vaish (DIN 00150310) and Mr. Parthasarathi Mukherjee (DIN 02446180) Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Directors place on record their appreciation for their contribution in guiding and supporting the company's business and operations during their tenure as Directors and recommend their offer of reappointment for consideration in the AGM.

DETAILS OF BOARD MEETINGS

During the year under review, four Board meetings were held, details of which are summarized below:

Sr. No.	Date of the meeting	No. of Directors attended the meeting
1	April 9, 2014	6 (Six)
2	August 7, 2014	5 (Five)
3	November 13, 2014	6 (Six)
4	February 10, 2014	6 (Six)

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

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



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

STATUTORY AUDITORS AND THEIR REPORT

In the 6th AGM held on June 9, 2014, The Auditors, M/s. S. R. Batliboi & Co. Chartered Accountants, Mumbai have been appointed Statutory Auditors of the Company for a period of 5 years till the conclusion of 11th AGM, subject to the ratification of their appointment at every AGM.

In view of the forgoing, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM for their appointment as Statutory Auditors for the Financial Year 2015-16 on the remuneration as stated therein.

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

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 your Directors pursuant to Section 134 (3) (f) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return for the financial year ended March 31, 2015, is annexed as Annexure-I (in form MGT-9) to this report.

RELATED PARTY TRANSACTIONS

The details of transactions entered into with the Related Parties referred to in sub-section (1) of section 188 are annexed as Annexure-II (in the Form AOC-2) to this report.

HOLDING COMPANY

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

PUBLIC DEPOSITS

Your Company has neither invited nor accepted/renewed any "Deposit" from public within the meaning of the term "Deposits" under the Companies (Acceptance of



Deposits) Rules, 2014 made under Chapter V read with Section 73 and 76 of the Companies Act, 2013 as amended from time to time.

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

(a) Conservation of energy

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

(b) Technology absorption

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

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used and the total foreign exchange earned was nil.



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

As part of its initiative under "Corporate Social Responsibility (CSR)", the Company has undertaken activities in the area of providing vocational training to differently abled youth and children. These activities are in accordance with Schedule VII of the Companies Act, 2013.

A detailed disclosure on the same is made in Annexure-III to this report. Further, a responsibility statement received from the members of the CSR Committee is attached in the said disclosure. Also, the CSR policy of the Company is placed on the website of the company.

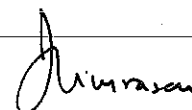
PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not taken loan or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

ACKNOWLEDGEMENT

The Board of Directors places on record its gratitude to SEBI and other government and regulatory authorities for their support and guidance. The Board acknowledges the support of shareholders and also places on record its sincere thanks to its valued clients and partners for their continued patronage. The Board also expresses its deep sense of appreciation to all employees and officers for their excellent performance, professionalism, team work, commitment and initiative, which has led to the company making commendable progress in a challenging business environment.

For and on behalf of the Board of Directors



V. SRINIVASAN
Chairman

Place: Mumbai
Date: April 10, 2015

ANNEXURE-I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

REGISTRATION & 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	Company limited by shares /Indian Non-Government Company
v	Address of the Registered office & contact details	Axis House, 2nd Flr.,Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra-400025, INDIA Telephone No. 022-24255215
vi	Whether listed company	Unlisted
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Group-R & T Agent "Karvy House", 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 +91 040 44655140 (Hyderabad Office) Telephone No. - 022 66235430 (Mumbai Office)

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Trusteeship	74	87.54%

III

PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Axis Bank Limited	L65110GJ1993PLC020769	Holding	99.99	2(46)

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SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

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. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.										
c) Bodies Corporates										
d) Bank/FI	1499930	0	1499930	99.995	1499930	0	1499930	99.995	0	0
e) Any other*	70	0	70	0.005	70	0	70	0.005	0	0
SUB TOTAL:(A) (1)										
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1500000	0	1500000	100	1500000	0	1500000	100	0	0
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FII/S										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0	0
(2) Non Institutions										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):	0	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	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1500000	0	1500000	100	1500000	0	1500000	100	0	0

*Any others are nominee of Axis Bank Limited (Axis Bank Limited is being holding company of Axis Trustee Services Limited)

SHARE HOLDING OF PROMOTERS

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered	
Axis Bank Limited	1499930	99.995	0	1499930	99.995	0	0
Nominees of Axis Bank Limited	70	0.005	0	70	0.005	0	0
Total	1500000	100	0	1500000	100	0	0

CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	No change during the year			
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
At the end of the year	No change during the year			

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	Nil			
Date wise Increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil			
At the end of the year (or on the date of separation, if separated during the year)	Nil			

Shareholding of Directors & KMP

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
Mr. P P NARAYANAN - MANAGING DIRECTOR AND CEO				
At the beginning of the year	10	0.001	10	0.001
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NA	NA	NA	NA
At the end of the year	10	0.001	10	0.001

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Additions	0	0	0	0
Reduction	0	0	0	0
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.

Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr P P Narayanan		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.		65,85,033	65,85,033
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		2,07,936	2,07,936
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0	0
2	Stock option		0	0
3	Sweat Equity		0	0
4	Commission		0	0
	as % of profit			
	others (specify)			
5	Others, please specify		0	0
	Total (A)		67,92,969	67,92,969
	Ceiling as per the Act		Within the prescribed limit	

B.

Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors			
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non Executive Directors	1. Rajaraman Viswanathan	2. Ram Bharoseylal Vaish	
	(a) Fee for attending board committee meetings	1,40,000	80,000	2,20,000
	(b) Commission	0	0	0
	(c) Others, please specify.	0	0	0
	Total (2)	1,40,000	80,000	2,20,000
	Total (B)=(1+2)	1,40,000	80,000	2,20,000
	Total Managerial Remuneration			70,12,969
	Overall Ceiling as per the Act.		Within the prescribed limit	

C.

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO		
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0	0		0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0		0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0		0
2	Stock Option	0	0	0		0
3	Sweat Equity	0	0	0		0
4	Commission	0	0	0		0
	as % of profit					
	others, specify					
5	Others, please specify	0	0	0		0
	Total	0	0	0		0

8

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place: Mumbai

Date: April 10, 2015



V. SRINIVASAN
Chairman

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

2. Details of material contracts or arrangement or transactions at arm's length basis
 1. (a) Name(s) of the related party - **Axis Bank Limited**
 - (b) Nature of relationship - **Holding Company**
 - (c) Nature of contracts/arrangements/transactions:
 1. **Secondment of employees**
 2. **Rent paid for office occupancy at Axis Bank Locations**
 3. **Payment of Dividend**
 4. **Servicing fees/charges/commission**
 5. **Fixed Deposits held with Axis Bank**
 6. **Other reimbursement of expenses**
 7. **Fees and Bank Charges**
 - (d) Duration of the contracts / arrangements/transactions – **Varies with the nature of the contract/arrangement/transaction**
 - (e) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Contract/arrangement/transaction is entered at arms' length price and in normal course of business. The Value of the same is detailed in Annexure to this form.**
 - (f) Date(s) of approval by the Board : **February 10, 2015**
 - (g) Amount paid as advances : **Nil**



2. (a) Name(s) of the related party- **Axis Finance Limited**
(b) Nature of relationship- **Subsidiary of Holding Company**
(c) Nature of contracts/arrangements/transactions: **Servicing fees/charges/commission**
(d) Duration of the contracts / arrangements/transactions – **Varies with the nature of the contract/arrangement/transaction**
(e) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Contract/arrangement/transaction is entered at arms' length price and in normal course of business. The Value of the same is detailed in Annexure to this form.**
(f) Date(s) of approval by the Board: **February 10, 2015**
(g) Amount paid as advances: **Nil**

For and on behalf of the Board of Directors



V. SRINIVASAN
Chairman

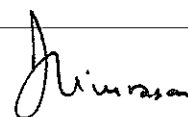
Place: **Mumbai**
Date: **April 10, 2015**

ANNEXURE

VALUE OF RELATED PARTY TRANSACTIONS/CONTRACTS/ARRANGEMENTS
ENTERED DURING THE FINANCIAL YEAR 2014-15

Sr. No.	Name of the Related Party	Type of transaction/contract/arrangement	Aggregate Value of Transaction entered during the FY 2014-15
1	Axis Bank Limited	1. Secondment of employees 2. Rent paid for office occupancy at Axis Bank Locations. 3. Payment of Dividend 4. Servicing fees/charges/commission 5. Fixed Deposits held with Axis Bank 6. Other reimbursement of expenses 7. Fees and Bank Charges	1. Rs. 26,247,455 2. Rs. 10,334,184 3. Rs. 105,000,000 4. Rs. 30,976,560 5. Rs. 444,718,640 6. Rs. 4,678,435 7. Rs. 101,079
2	Axis Finance Limited	Servicing fees/charges/commission	Rs. 2,0,8000.333

For and on behalf of the Board of Directors



V. SRINIVASAN
Chairman

Place: Mumbai
Date: April 10, 2015

ANNEXURE-III
REPORT ON CSR ACTIVITIES/ INITIATIVES
[Pursuant to Section 135 of the Act & Rules made thereunder]

- 1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes**

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.

Your Company has identified the following program/activity for assistance under CSR initiative:

1. Vocational education and training

a. Support vocational education, life skill coaching and career counselling: Provide orientation and handholding support to children of secondary and higher secondary level on available career options, and employable vocational and technical skills.

b. Skill development through vocational education and training: Provide skilling, re-skilling and multi-skilling support to youth for gainful employment.

- 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. V. Rajaraman | - Chairman |
| 2. Mr. P. P. Narayanan | - MD & CEO |
| 3. Mr. T. S. Asokraj | - Director |

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. V. Rajaraman | - Chairman |
| 2. Mr. P. P. Narayanan | - MD & CEO |
| 3. Mr. T. S. Asokraj | - Director |

4. Average Net Profit of the company for last 3 financial year:

Financial Year	Profit before Tax	Average of three years
2011-12	158,737,357	187,247,315
2012-13	183,447,921	
2013-14	219,556,666	

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

Based on the above arrived figures, your company earmarked a sum of Rs. 3,744,946/- during the financial year 2014-15 towards CSR initiatives.

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

- Total amount to be spent for the financial year – Rs. 37,45,000/-
- Amount un-spent (if any) – Nil
- 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/ programme wise	Amount spent on the project/ programme <u>Sub-heads:</u> 1.Direct expenditure on project / programme, 2.Overheads	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency*
1	Education & Vocational Training	Literacy & Vocational Training	Mumbai, Maharashtra	37.45 Lacs	37.45 Lacs	37.45 Lacs	37.45 Lacs

***Implementing Agency - Axis Bank Foundation**

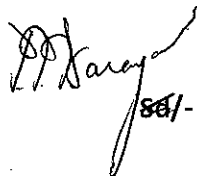
Beneficiary - Om Creation Trust (An offshoot of SPJ Sadhana School), Mumbai.

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

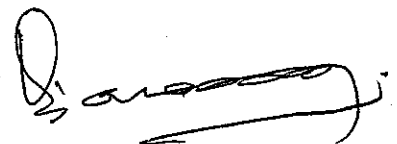
NA

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/-

.....
(CEO/Managing Director/Director)

Sd/- 

.....
Chairman of CSR Committee

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Trustee Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Trustee Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give

in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position as at March 31, 2015;
 - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2015 for which there were any material foreseeable losses; and
 - iii. As at March 31, 2015 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



per **Viren H. Mehta**
Partner
Membership Number: 048749
Place of Signature: Mumbai
Date: April 10, 2015

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

Re: Axis Trustee Services Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (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 or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(ii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. The activities of the Company do not involve purchase of inventory and the sale of goods.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues applicable to it. As informed to us, the provisions relating to employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty and value added tax are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed to us, the provisions relating to employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty and value added tax are currently not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute. As informed to us, the provisions relating to employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty and value added tax are currently not applicable to the Company.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Auditor's Report
Axis Trustee Services Limited
Year Ended March 31, 2015

Page 4 of 4

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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



per **Viren H. Mehta**
Partner
Membership Number: 048749
Mumbai
April 10, 2015


Axis Trustee Services Limited
Balance Sheet as at 31st March, 2015

	Note No.	Amount (Rs) 31 March 2015	Amount (Rs) 31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	15,000,000	15,000,000
Reserves & surplus	4	330,727,905	300,814,055
		345,727,905	315,814,055
Non-current liabilities			
Other long term liabilities	5	509,911	1,061,286
Long term provisions	6	2,575,951	2,026,817
		3,085,862	3,088,103
Current liabilities			
Trade payables	7	472,573	86,855
Other current liabilities	7	88,200,041	81,660,848
Short term provisions	6	139,083,013	126,028,500
		227,755,627	207,776,203
Total		576,569,394	526,678,361
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	1,524,286	1,084,536
Intangible assets	9	21,265	401,091
Intangible assets under development		5,020,350	-
Deferred tax assets (net)	10	2,243,406	4,384,697
Other non-current assets	11.2	455,012,395	297,723,659
		463,821,702	303,593,983
Current assets			
Trade receivables	11.1	47,447,104	21,043,776
Cash and Bank balances	12	9,875,470	161,301,266
Other current assets	11.2	55,425,118	40,739,336
		112,747,692	223,084,378
Total		576,569,394	526,678,361
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
Chartered Accountants


per Viren H. Mehta

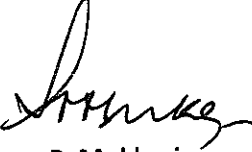
Partner
Membership No.: 048749
Place: Mumbai
Date: 10 April, 2015



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


P.P. Narayanan
Managing Director & CEO

Place: Mumbai
Date: 10 April, 2015


P. Mukherjee
Director

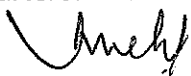
Axis Trustee Services Limited
Statement of Profit and Loss for the year ended 31st March, 2015.

	Note No.	Amount (Rs)	
		31 March 2015	31 March 2014
Income			
Revenue from operations	13	280,460,788	243,108,334
Other income	14	39,925,438	36,604,220
Total revenue (I)		320,386,226	279,712,554
Expenses			
Employee benefit expense	15	42,026,976	38,227,474
Other expenses	16	26,397,424	21,477,902
Depreciation and amortisation	17	519,852	450,512
Total expenses (II)		68,944,252	60,155,888
Profit before tax (I-II)		251,441,974	219,556,666
Tax expense:			
Current Tax		83,984,480	76,160,847
Deferred Tax		2,141,291	(1,533,537)
Total tax expense		86,125,771	74,627,310
Profit/(Loss) for the Year		165,316,203	144,929,356
Earnings per equity share (nominal value of share Rs. 10 ; previous year Rs. 10)			
Basic	18	110.21	96.62
Diluted	18	110.21	96.62
Statement of significant accounting policies	2.1		

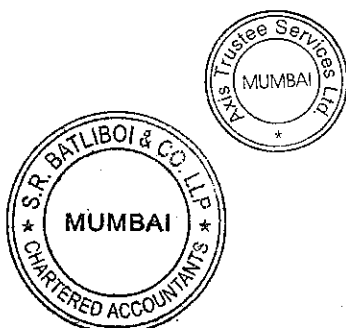
The accompanying notes are an integral part of the financial statements

As per our report of even date

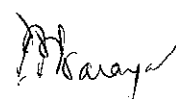
For S.R. BATLIBOI & CO. LLP
 ICAI Firm Registration No.: 301003E
 Chartered Accountants


 per Viren H. Mehta
 Partner


Membership No.: 048749
 Place: Mumbai
 Date: 10 April, 2015



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


 P.P. Narayanan
 Managing Director & CEO

Place: Mumbai
 Date: 10 April, 2015


 P. Mukherjee
 Director

Axis Trustee Services Limited
Cash Flow Statement for the year ended 31st March, 2015

Cash flow from operating activities	Amount (Rs.)	
	March 31,2015	March 31,2014
Profit before tax from continuing operations	251,441,974	219,556,666
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	519,852	450,512
Provision for doubtful debts (net)	1,944,148	3,331,462
Loss on disposal/ write off on tangible /intangible assets pertaining to continuing operations	278,108	248
Net Gain on sale of current investments	(224,863)	(151,846)
Interest Income	(39,700,575)	(36,452,374)
Operating profit before working capital changes	214,258,644	186,734,668
Movements in working capital :		
Increase/ (decrease) in trade payables	385,718	(41,813)
Increase / (decrease) in long-term provisions	549,134	993,878
Increase / (decrease) in short-term provisions	496,911	718,897
Increase/ (decrease) in other current liabilities	6,539,193	6,110,094
Increase/ (decrease) in other long-term liabilities	(551,372)	(1,010,426)
Decrease / (increase) in trade receivables	(28,347,476)	9,508,270
Decrease / (increase) in other current assets	1,126,447	(1,389,261)
Cash generated from operations	194,457,199	201,624,306
Direct taxes paid (net of refunds)	(79,817,188)	(80,752,243)
Net cash flow from operating activities (A)	114,640,011	120,872,063
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(5,878,234)	(415,356)
Investments in bank deposits (having original maturity of more than three months)	(211,500,000)	(125,000,000)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	207,049,867	17,000,000
Purchase of current investments	(101,750,000)	(106,950,000)
Proceeds from sale/maturity of current investments	101,974,863	107,101,846
Interest income	23,888,343	8,174,387
Net cash flow from/ (used in) investing activities (B)	13,784,839	(100,089,123)
Cash flows from financing activities		
Dividend paid on equity shares	(105,000,000)	(18,750,000)
Tax on equity dividend paid	(17,844,751)	(3,186,563)
Net cash flow from/ (used in) in financing activities (C)	(122,844,751)	(21,936,563)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	5,580,099	(1,153,623)
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	4,295,371	5,448,994
Cash and cash equivalents at the end of the year	9,875,470	4,295,371
Components of cash and cash equivalents		
With banks- on current account	9,875,470	4,295,371
Total cash and cash equivalents (note 12)	9,875,470	4,295,371

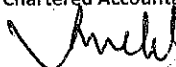
2.1

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date


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

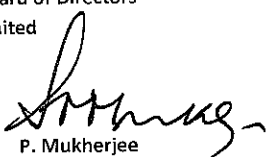

per Viren H. Mehta
Partner

Membership No.: 048749
Place: Mumbai
Date: 10 April, 2015



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


P.P. Narayanan
Managing Director & CEO


P. Mukherjee
Director

Place: Mumbai
Date: 10 April, 2015

Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

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 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. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.1. Statement of significant accounting policies :

Change in accounting policy:

1. Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

i. Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. 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. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

(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.



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

(c) Fixed assets (including intangible assets)

Fixed assets (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 fixed assets (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 and amortization

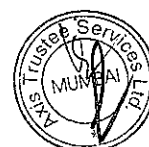
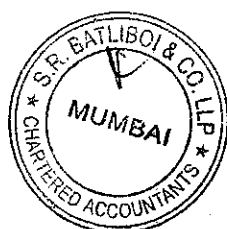
Depreciation on fixed assets is provided using the Straight Line Method ('SLM') using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule II of the Companies Act, 2013, whichever is higher. Intangible assets are amortized on a straight line basis over the estimated useful life. The Company has used the following rates to provide depreciation/amortization on its fixed assets (including intangible assets):

	Rates (SLM)	Schedule II Rates (SLM)
Computers	3 years	3 years
Office equipment	5 years	5 years
Software	5 years	5 years
Mobile instruments	2 years	15 years
Furniture and Fixtures	10 years	10 years

The management has estimated the useful lives of mobile instruments as 2 years, after taking in to consideration rapid evolution of technology and tendency of the users to opt for advanced features,. This is higher than those indicated in schedule II.

(e) Impairment of tangible 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



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

(f) Revenue recognition

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

Annual Fees for trusteeship services 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.

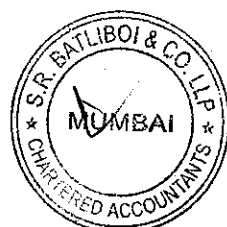
Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

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.

Dividends from investments in units of mutual fund are recognized when the company's right to receive dividend payment is established by the reporting date.

(g) 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.



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

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.

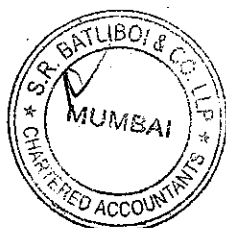
(h) Segment information

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.

(i) 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



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(j) 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 a provision for 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.

(k) 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.

(l) 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.



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

3. Share capital

	31 March 2015	31 March 2014
	Amount (Rs.)	Amount (Rs.)
Authorized shares		
5,000,000 (31 March 2014: 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 2014: 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 2015		31 March 2014	
	No.	Amount (Rs.)	No.	Amount (Rs.)
At the beginning of the period	1,500,000	15,000,000	1,500,000	15,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	1,500,000	15,000,000	1,500,000	15,000,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March, 2015 the amount of per share dividend recognized as distributions to equity shareholders is Rs. 75 (31 March, 2014: Rs. 70).



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

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

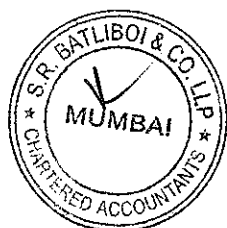
Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	As at 31 March 2015	As at 31 March 2014
	Amount (Rs.)	Amount (Rs.)
Axis Bank Limited, the holding company and its nominees		
1,500,000 (31 March 2014: 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 2015		As at 31 March 2014	
	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.



Axis Trustee Services Limited

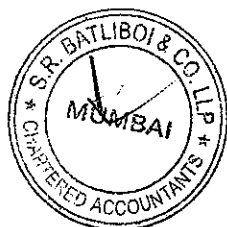
Notes to Financial statements for the year ended 31 March 2015

4. Reserves and surplus

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
General reserve		
Balance as per the last financial statements	48,650,991	34,158,055
Add: amount transferred from surplus balance in the statement of profit and loss	16,531,620	14,492,936
Closing Balance	65,182,611	48,650,991
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	252,163,064	244,571,395
Profit for the year	165,316,203	144,929,356
Less: Appropriations		
Proposed final equity dividend (amount per share: Rs.75 (31 March 2014: Rs.70)	(112,500,000)	(105,000,000)
Tax on proposed equity dividend	(22,902,353)	(17,844,751)
Transfer to general reserve	(16,531,620)	(14,492,936)
Total appropriations	(151,933,973)	(137,337,687)
Net surplus in the statement of profit and loss	265,545,294	252,163,064
Total reserves and surplus	330,727,905	300,814,055

5. Other long-term liabilities

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Unearned revenue	509,911	1,061,286
	509,911	1,061,286



Axis Trustee Services Limited

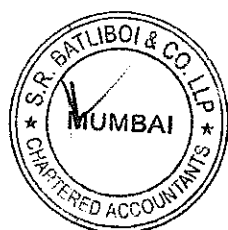
Notes to Financial statements for the year ended 31 March 2015

6. Provisions

	Long-term		Short-term	
	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Provision for employee benefits				
Provision for gratuity	453,451	153,189	5,761	213
Provision for leave benefits	-	-	432,390	491,207
Provision for variable pay	2,122,500	1,873,628	1,924,344	1,194,220
	2,575,951	2,026,817	2,362,495	1,685,640
Other provisions				
Proposed equity dividend	-	-	112,500,000	105,000,000
Provision for tax on proposed equity dividend	-	-	22,902,353	17,844,751
Provision for expenses	-	-	1,318,165	1,498,109
	-	-	136,720,518	124,342,860
	2,575,951	2,026,817	139,083,013	126,028,500

7. Other current liabilities

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Trade Payables (refer note 22 for details of dues to micro and small enterprises)	472,573	86,855
	472,573	86,855
Other liabilities		
Unearned revenue	87,968,046	75,808,245
Others		
Due to Axis Bank Ltd. (the Holding Company)	-	5,726,790
TDS payable	231,995	125,813
	88,200,041	81,660,848
	88,672,614	81,747,703

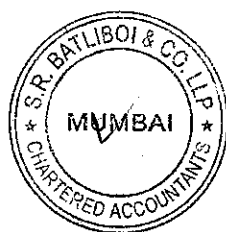


Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

8. Tangible assets

	Computers	Office Equipments	Mobiles	Furniture and Fixtures	Total
Cost					
At 1 April 2013	839,520	7,208	73,750	828,984	1,749,462
Additions	194,255	-	-	161,104	355,359
Disposals	-	-	(14,750)	-	(14,750)
At 31 March 2014	1,033,775	7,208	59,000	990,088	2,090,071
Additions	519,854	-	14,750	304,856	839,460
Disposals	-	-	-	-	-
At 31 March 2015	1,553,629	7,208	73,750	1,294,944	2,929,531
Depreciation					
At 1 April 2013	518,768	723	52,107	130,498	702,096
Charge for the year	205,250	722	21,394	90,574	317,940
Disposals	-	-	(14,501)	-	(14,501)
At 31 March 2014	724,018	1,445	59,000	221,072	1,005,535
Charge for the year	270,460	1,920	6,305	121,025	399,710
Disposals	-	-	-	-	-
At 31 March 2015	994,478	3,365	65,305	342,097	1,405,245
Net Block					
At 31 March 2014	309,757	5,763	-	769,016	1,084,536
At 31 March 2015	559,151	3,843	8,445	952,847	1,524,286



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

9. Intangible assets

Computer Software	
Gross block	
At 1 April 2013	612,712
Additions	60,000
At 31 March 2014	672,712
Additions (including capitalized during the year)	18,424
Disposal/Write off	(627,000)
At 31 March 2015	64,136
Amortization	
At 1 April 2013	139,049
Charge for the year	132,572
At 31 March 2014	271,621
Charge for the year	120,142
Disposal/Write off	(348,892)
At 31 March 2015	42,871
Net block	
At 31 March 2014	401,091
At 31 March 2015	21,265

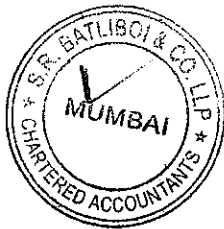


Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

10. Deferred tax asset (net)

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	22,859	90,187
Gross deferred tax liability	22,859	90,187
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	1,311,486	880,129
Provision for doubtful debts (net)	954,779	3,594,755
Gross deferred tax asset	2,266,265	4,474,884
Net deferred tax asset	2,243,406	4,384,697



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

11. Trade receivables and other assets

11.1. Trade receivables

	Non-Current		Current	
	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Other receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	8,115,173	1,697,737
Unsecured, considered doubtful	-	-	-	9,591,190
			8,115,173	11,288,927
Provision for doubtful receivables	-	-	-	(9,591,190)
(a)	-	-	8,115,173	1,697,737
Unsecured, considered good unless stated otherwise				
Unsecured, considered good	-	-	39,331,931	19,346,039
Unsecured, considered doubtful	-	-	2,809,000	984,728
	-	-	42,140,931	20,330,767
Provision for doubtful receivables	-	-	(2,809,000)	(984,728)
(b)	-	-	39,331,931	19,346,039
Total (a + b)	-	-	47,447,104	21,043,776



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

11.2. Other assets

	Non-Current		Current	
	31 March 2015 Amount in (Rs.)	31 March 2014 Amount (Rs.)	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 12)	444,718,640	283,262,612	-	-
	444,718,640	283,262,612	-	-
Others				
Interest accrued on fixed deposits	-	-	54,401,900	38,589,671
Prepaid expenses	-	-	170,210	118,381
Deposit with Central Registry	-	-	415,478	550,717
Due from the Holding Company (Axis Bank)	-	-	98,884	-
Service tax receivable	-	-	338,646	698,069
Advance payment of income tax / tax deducted at source (after adjusting provision for tax: Rs. 326,775,650 ; previous year : Rs. 242,791,170)	10,293,755	14,461,047	-	-
Others	-	-	-	782,498
	10,293,755	14,461,047	55,425,118	40,739,336
	455,012,395	297,723,659	55,425,118	40,739,336



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

12. Cash and bank balances

	Non-current		Current	
	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Cash and cash equivalents				
- On current accounts	-	-	9,875,470	4,295,371
	-	-	9,875,470	4,295,371
Other bank balances				
- Deposits with original maturity for more than 12 months	444,718,640	283,262,612	-	157,005,895
	444,718,640	283,262,612	-	157,005,895
Amount disclosed under non- current assets (note 11.2)	(444,718,640)	(283,262,612)	-	-
	-	-	9,875,470	161,301,266



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

13. Revenue from operations

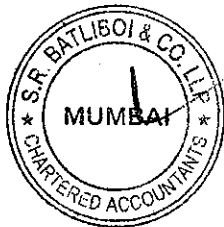
	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Revenue from operations		
Rendering of services	280,460,788	243,108,334
Revenue from operations	280,460,788	243,108,334

Detail of services rendered

Initial acceptance fees	44,592,000	34,855,090
Annual fees	204,892,228	182,006,196
Servicing fees	30,976,560	26,247,048
	280,460,788	243,108,334

14. Other income

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Interest income on bank deposits	39,700,575	36,452,374
Profit on sale of mutual fund	224,863	151,846
	39,925,438	36,604,220



Axis Trustee Services Limited

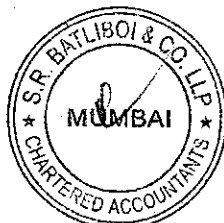
Notes to Financial statements for the year ended 31 March 2015

15. Employee benefit expense

	31 March 2015	31 March 2014
	Amount (Rs.)	Amount (Rs.)
Salaries, wages and bonus (including amount paid to employees on deputation)	40,882,554	37,140,195
Contribution to provident and other funds	390,635	384,711
Gratuity expense	305,810	84,505
Staff welfare expenses	447,977	618,063
	42,026,976	38,227,474

16. Other expenses

	31 March 2015	31 March 2014
	Amount (Rs.)	Amount (Rs.)
Power and fuel	992,312	813,802
Rent	10,334,184	8,794,956
Rates and taxes	655,294	1,619,979
Advertising and business promotion	34,034	173,600
Travelling and conveyance	1,660,959	1,056,802
Communication expenses	285,414	235,111
Printing and stationery	286,154	93,426
Professional & legal fees	1,318,651	1,352,686
Directors' sitting fees	220,000	120,000
Bank charges	887	375
DP charges	101,011	86,011
Registration fees	6,000	700,545
Payment to auditor (Refer details below)	700,638	545,406
Provision for doubtful debts (net of recoveries)	1,944,148	3,331,462
Loss on sale of fixed assets (net)	-	248
Loss on disposal/write off of intangible assets	278,108	-
CSR expenditure	3,745,000	-
Office expenses	3,834,630	2,553,493
	26,397,424	21,477,902



Axis Trustee Services Limited

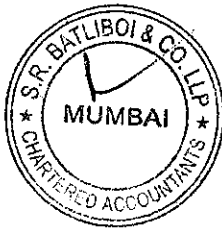
Notes to Financial statements for the year ended 31 March 2015

Payment to auditor

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
As auditor:		
Audit fee	650,000	525,000
In other capacity:		
Other services (certification fees)	30,000	-
Reimbursement of expenses & Service Tax	20,638	20,406
	700,638	545,406

17. Depreciation and amortization expense

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Depreciation of tangible assets	399,710	317,940
Amortization of intangible assets	120,142	132,572
	519,852	450,512



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

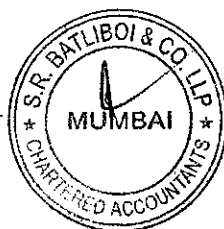
18. Earnings per share (EPS)

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

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Total operations for the year		
Profit after tax	165,316,203	144,929,356
Net profit for calculation of basic EPS	165,316,203	144,929,356
Net profit as above	165,316,203	144,929,356
Net profit for calculation of diluted EPS	165,316,203	144,929,356
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.110.21	Rs. 96.62
Diluted earnings per share	Rs.110.21	Rs. 96.62



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

19. 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.

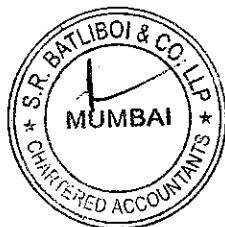
The following table summarises the component of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plan.

Net employees benefit expense (recognised in Employee Cost):

Particulars	Gratuity	
	31 March 2015	31 March 2014
Current service cost	74,871	63,786
Net Interest cost	13,699	5,422
Net Actuarial (gains) / losses	217,240	15,297
Net Expenses recognized in the statement of profit or loss	305,810	84,505

Balance Sheet

Particulars	Gratuity	
	31 March 2015	31 March 2014
Defined benefit obligation	459,122	153,402
Fair value of plan assets	-	-
Unrecognised past service cost	-	-
Net (Liability)/Asset Recognised in the Balance Sheet	(459,212)	(153,402)



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

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

Particulars	Gratuity	
	31 March 2015	31 March 2014
Opening defined benefit obligation	153,402	68,897
Net Interest cost	13,699	5,422
Current service cost	74,871	63,786
Benefits paid	-	-
Actuarial (gains) / losses on obligation- due to change in financial assumptions	31,107	(13,001)
Actuarial (gains) / losses on obligation – due to experience	186,133	28,298
Present Value of Benefit Obligation at the end of the period	459,212	153,402

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

Particulars	31 March 2015	31 March 2014
Discount rate	7.90%	8.93%
Increment rate	15%	15%
Attrition rate	20%	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.

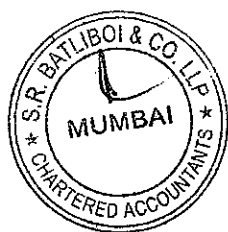
20. Leases

The Company has not taken any assets on operating/finance lease. However, lease rentals amounting to Rs. 10,334,184/- (previous year Rs. 8,794,956) are paid to Axis Bank Limited.

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

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

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
Less than one year	2,583,546	2,198,739



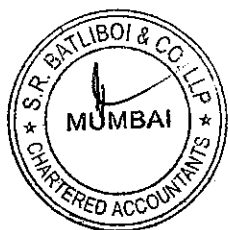
Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

21. 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. P.P. Narayanan (Managing Director)
Fellow Subsidiary Companies	Axis Capital Limited
	Axis Private Equity Limited
	Axis Asset Management Company Limited
	Axis Mutual Fund Trustee Limited
	Axis Bank U.K. Limited
	Axis Finance Limited
	Axis Securities Limited
	Axis Asset Management Company Limited
Step-down Subsidiary Companies	Enam International Limited (liquidated on 24th August, 2014)
	Axis Securities Europe Limited
Joint Venture of Holding Company	Bussan Auto Finance India Pvt. Ltd. (Investments sold on 30-03-2015)



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

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

Particulars	Holding Company Amount (Rs.)	Fellow Subsidiary	Key Management Personnel	Total Amount (Rs.)
Income				
Interest Income	39,700,575			39,700,575
	(36,452,374)			(36,452,374)
Servicing Fees	30,976,560			30,976,560
	(26,247,048)			(26,247,048)
Rendering of services (Axis Finance Limited)		208,333		208,333
		(25,000)		(25,000)
Expenses				
Rent Paid	10,334,184			10,334,184
	(8,794,956)			(8,794,956)
Reimbursement of Staff Cost	19,454,486		6,792,969 *	26,247,455
	(19,047,689)		(7,268,860)*	(26,316,549)
Other reimbursement of expenses	4,678,435			4,678,435
	(4,885,837)		(29,721)*	(4,915,558)
Payment of Dividend	105,000,000			105,000,000
	(18,750,000)			(18,750,000)
Fees and Bank Charges paid to Axis Bank Ltd.	101,079			101,079
	(86,386)			(86,386)
Balance Outstanding				
Fixed Deposits	444,718,640			444,718,640
	(440,268,507)			(440,268,507)
Balance in current account	9,865,357			9,865,357
	(4,295,371)			(4,295,371)
Share Capital	15,000,000			15,000,000
	(15,000,000)			(15,000,000)



Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

Particulars	Holding Company Amount (Rs.)	Fellow Subsidiary	Key Management Personnel	Total Amount (Rs.)
Interest Receivable	54,401,900			54,401,900
	(38,589,671)			(38,589,671)
Reimbursement of Staff Cost payable	4,896,091			4,896,091
	(6,137,191)			(6,137,191)
Other reimbursement of expenses payable	164,583			164,583
	(2,020,148)			(2,020,148)
Servicing Fees receivable	5,159,553			5,159,553
	(2,430,549)			(2,430,549)
Proposed Dividend	112,500,000			112,500,000
	(105,000,000)			(105,000,000)

* paid/ payable to Axis Bank Ltd.

Notes

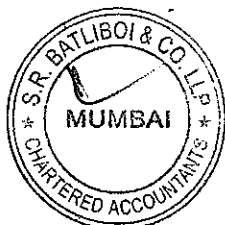
1. Related party relationships and transactions have been identified by the management and relied upon by the Auditors
2. The remuneration paid to the key managerial person does not include provision made for gratuity and leave benefits as they are determined on actuarial basis for Axis Bank as a whole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

22. Capital and other commitments

As at 31 March 2015, the Company has capital commitments of Rs.4,675,000 relating to development of Business Software (Previous Year Rs. Nil).

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

	31 March 2015 Amount (Rs.)	31 March 2014 Amount (Rs.)
The principal amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year	-	-

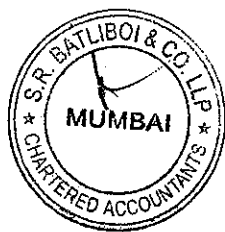


Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2015

24. Previous Year Figures

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



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

Handwritten signature of P.P. Narayanan.

P.P. Narayanan
Managing Director &
CEO

Handwritten signature of P. Mukherjee.

P. Mukherjee
Director

Place: Mumbai
Date: 10th April, 2015