

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Eleventh Annual Report** of your Company together with the Audited Financial Statements for the financial year April 1, 2019 to March 31, 2020. During the year the Company registered a net profit after tax of Rs. 13,51,272 /-.

### FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2020 are given below:

Particulars	Amount (Rs. In Lakhs)	
	Financial Year Ended 31.03.2020	Financial Year Ended 31.03.2019
Gross Income	49.18	52.90
Expenses	31.10	33.98
<b>Profit/(Loss) before Tax</b>	18.08	18.92
Provision for Taxation	4.57	4.48
<b>Profit/(Loss) after Tax</b>	13.51	14.44
Profit available for appropriation		
<b>APPROPRIATIONS</b>		
Transfer to General Reserve		
Transfer to Contingency Reserve		
Balance after appropriations		
Balance Profit /(Loss) Carried Forward	58.30	44.79

### DISCLOSURES ABOUT CAPITAL INFUSION DURING THE YEAR, CHANGE IN SHAREHOLDING PATTERN, DIVIDEND AND AMOUNT TRANSFERRED TO THE RESERVES

There was no capital infusion during the financial year 2019 – 20.

The issued share capital of the Company as at March 31, 2020, was Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10/- each.

Your Directors are pleased to inform that Axis Bank Limited continues to hold 75% (less one share) of the total issued and paid up equity shares of the company. Schroder Singapore Holdings Private Limited (SSHPL) continues to hold 25% (plus one share) of the total issued and paid up equity shares of the company. The company continues to act as the Trustee to Axis Mutual Fund.

### DIVIDENDS

Your Directors have not recommended payment of dividend for the year ended March 31, 2020.

### AMOUNT CARRIED TO RESERVES

No amount is proposed to be transferred to reserves.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no such changes /commitments.

### ISSUANCE OF DEBENTURES

The Company did not issue any debenture(s) during the year.



## STATE OF COMPANY'S AFFAIRS

### MUTUAL FUND ACTIVITY

Axis Asset Management Company Limited ("Axis AMC") had another strong financial year managing the assets of Axis Mutual Fund (Axis MF). This was a landmark year for Axis MF, as it completed 10 years in existence. The last 10 years have seen Axis MF get firmly established as a leading fund house. Mutual Fund industry broadly continued its growth trajectory while year ended on a weak note on account of a sharp global and Indian market sell-off. Within its overall basket, Axis MF witnessed strong inflows in its equity schemes across categories backed by stand out fund performance for which it received widespread recognition. Debt fund corpus also went up on account of successful fund positioning for specific investor pockets. Strong investment performance was seen across asset classes with all key funds well placed in their respective segments. Axis AMC has also continued growing its investor base as well as its SIP book. The company continued working towards launching new products that help cover product gaps while also looking at product innovations such as a SIP insurance bundle, multi-manager products and investing in global equities.

Following is a summary of the major product highlights/ initiatives:

1. **Axis ESG Equity Fund:** Axis AMC has initiated the journey to embrace sustainability as a cornerstone of its investment process. ESG will be a crucial non-financial metric that will determine sustainable corporate performance going forward. To showcase its commitment to this space, Axis launched the Axis ESG Equity Fund that was the first of its kind mainstream ESG product launch in the Indian market. Further the fund continued Axis' push to provide global exposure to Indian investors by earmarking 30% of the fund for global stocks.
2. **Axis Retirement Savings Fund:** To maintain and enhance its connect with investor needs and to make it possible for all investors to easily use MFs in their investment plans, Axis came out with its second solutions based offering focused on Retirement Savings.
3. **Iplus SIP facility:** Axis AMC created its maiden bundled solution by offering life insurance cover to SIP investors in the Retirement Savings Fund. The structure of the life cover was innovatively designed to encourage investors to carry out long term savings that can help them meet their retirement needs.
4. **Axis All Seasons Debt Fund of Fund:** A unique first of its kind offering in the Indian market that offered debt investors a one-stop solution for their long term allocations. The Fund of Fund will invest across different fund houses and different strategies to provide investors with the best positioning for any given debt market environment.

#### Details of products/schemes launched and allotted during the year 2019-2020

Sr. No.	Name of the scheme	Type of the scheme	Allotment date	Amount collected during NFO (In rupees)
1	Axis Money Market Fund	Open Ended Debt Fund	6-Aug-19	5,320,988,514
2	Axis Nifty 100 Index Fund	An Open Ended-Index Fund	18-Oct-19	4,251,567,881
3	Axis Retirement Savings Fund - Aggressive Plan	Open Ended Equity Fund	20-Dec-19	4,575,927,019



4	Axis Retirement Savings Fund - Dynamic Plan	Open Ended Equity Fund	20-Dec-19	2,740,225,254
5	Axis Retirement Savings Fund - Conservative Plan	Open Ended Debt Fund	20-Dec-19	1,305,506,747
6	Axis All Seasons Debt Fund of Funds	Open Ended Debt Fund	28-Jan-20	443,575,700
7	Axis ESG-Equity Fund	Open Ended Equity Fund	12-Feb-20	17,149,724,803

Details of performance of schemes of Axis Mutual Fund can be obtained from the website of Axis Mutual Fund, [www.axismf.com](http://www.axismf.com).

### **Impact of Covid-19 on Asset Management Industry**

Functioning of corporates and business intermediaries is impacted due to the halt in economic activities brought about by the lockdown due to COVID -19. We believe that the current situation is more of a health crisis and not a major financial crisis as of now. What happens going forward is therefore going to depend on how the virus situation develops. There is a high degree of uncertainty right now in terms of how the scenario may unfold as this is a true black swan event and there are no real guides available as reference points to the markets.

- Our equity funds performance has been robust in the face of unprecedented market uncertainty. We continue to look for businesses and management who we believe will generate sustainable long term performance for our investors.
- We have seen the RBI step in with moratorium on payment of term loans and significant open market operations and we believe that the debt markets (G-sec and high quality corporate bonds) should stabilise in short order going forward. For credit markets, there is an element of wait and watch, since their fate is tied to the resumption in economic activity. Our funds have done well in terms of relative performance in this challenging period
- Strong equity inflow figures through systematic investment plans are a positive indication that investors continue to put faith in Mutual Funds as a medium of investing for a long term in equities despite negative markets.
- To carry on PMS and AIF businesses has challenges since both businesses require physical agreements that need to move between the AMCs, distributors and clients. Until normalcy gets restored these businesses are likely to see drop in business flows.
- Axis AMC has enabled necessary infrastructure for staff to work from home.

The steps taken by the Government of India has resulted in controlling the spread of the pandemic. The stimulus provided by the Government together with the measures taken by the Reserve Bank of India will help the Indian economy bounce back. The Fund management industry in India is very robust and has had the necessary agility to address investor needs. Axis AMC is in a good position to withstand the current situation and looks forward to continuing growth.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.



## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arms length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are approved / ratified by the Audit and Risk Committee as well as the Board of the Company. Details of related party transactions are attached in Annexure **AOC-2**.

## DIRECTORS

During the year, Mr. G Gopalakrishna (DIN: 06407040) and Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960) were appointed as an Additional director(s) with effect from June 27, 2019 in terms of section 161 of the Act and enabling provisions of Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting.

Dr. T.C. Nair (DIN: 02689698) and Mr. Kedar Desai (DIN: 00322581) ceased to be Director(s) of the Company pursuant to completion of their maximum term. The Board appreciated the contribution of Mr. Nair and Mr. Desai on the board and thanked them for their valuable inputs.

Further, in accordance with the provision of the Companies Act, 2013, and other applicable laws and the Articles of Association of the Company, Mr. Uday Chitale (DIN: 00043268) and Mr. Murray Coble (DIN: 02077837) retire by rotation at the ensuing Annual General Meeting, and are eligible, has offered themselves for re-appointment.

## PUBLIC DEPOSITS

During the financial year ended March 31, 2020, the company has not accepted any deposit from the members or public under the provisions of sec. 73 to 76 of the Companies Act, 2013. The Company has not accepted any funds from the Directors of the Company during the financial year under review.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, other requirements of the Companies (Accounts) Rules, 2014 are also not applicable.

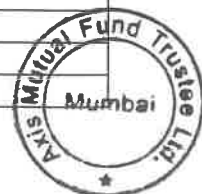
## FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Income from Foreign Currency – Nil
- b. Payments in Foreign Currency – Nil

## NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the financial year 2019-20, 7 Meetings of the Board of Directors of the company were conducted on April 16, 2019, May 28, 2019, July 11, 2019, September 16, 2019, October 18, 2019, January 17, 2020 and March 18, 2020. The status of attendance of Directors at the Board Meetings is as follows:

Name	Designation	Director's Identification Number (DIN)	Meetings Attended
Dr. Chandran Thumpampil Nair <sup>^</sup>	Chairman	02689698	2
Mr. Bapi Munshi	Director	02470242	7
Mr. Kedar Jagdish Desai <sup>^</sup>	Director	00322581	1
Mr. Murray Alan Coble	Director	02077837	7



Mr. Uday Madhav Chitale	Director	00043268	7
Mr. Radhakrishnan Nair	Director	07225354	6
Mr. G Gopalakrishna^^	Director	06407040	4
Mrs. Vijayalakshmi Iyer^^	Director	05242960	3
<b>Total Meetings held during the year</b>			<b>7</b>

^ Ceased to be Director during FY 2019-20

^^ Appointed as Director during FY 2019-20

#### CONSTITUTION OF AUDIT AND RISK COMMITTEE OF DIRECTORS

Though the company is not required to have an Audit and Risk Committee under the Companies Act, 2013, an Audit and Risk Committee of the Board of Directors of the Company has been in place.

As on March 31, 2020, the Audit and Risk Committee consisted of the following Directors:

Mr. Uday M. Chitale  
Mr. Bapi Munshi  
Mr. Radhakrishnan Nair  
Mr. Murray Coble  
Mr. G Gopalakrishna  
Mrs. Vijayalakshmi Iyer

The directors appoint one amongst themselves as the Chairman of the audit and risk committee meeting.

There was no such case where recommendations of Audit and Risk Committee were not accepted.

During the Financial Year, 6 Audit and Risk Committee Meetings were held on April 16, 2019, May 28, 2019, July 11, 2019, September 16, 2019, October 18, 2019 and January 17, 2020. The status of attendance of the committee members at these committee meetings is as follows:

Name of Members	Designation	No. of Audit and Risk Committee Meetings held
Mr. Uday M. Chitale	Director	6
Mr. Bapi Munshi	Director	6
Mr. Kedar Desai^	Director	1
Mr. Murray Coble	Director	6
Dr. T.C. Nair^	Director	2
Mr. Radhakrishnan Nair	Director	3
Mr. G Gopalakrishna^^	Director	2
Mrs. Vijayalakshmi Iyer^^	Director	2
<b>Total Meetings held during the year</b>		<b>6</b>

^ Ceased to be Director during FY 2019-20

^^ Appointed as member of the Committee during FY 2019-20

#### RISK MANAGEMENT

To enable better and more focused attention on the affairs of the Company and the mutual fund activity, the Board of Directors has constituted the Audit and Risk Committee. Various committees of the management of the asset management company namely Risk Management Committee, Investment Review Committee, Valuation Committee etc. have also been constituted to which specific matters have been delegated by the Board of Directors. The management of the AMC and these committees play an important role in establishing, monitoring and reviewing various risk management practices in the company and with respect to the Mutual Fund Operations. The Board of Directors of the company has also appointed a reputed Chartered Accounting firm as the Internal Auditor of the Company and of the Mutual Fund. The Internal Auditors review the



adequacy of risk management practices and report on the same to the Audit and Risk Committee and the Board of the Company.

#### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Company has engaged an external auditing firm who carries out periodic audits based on the annual audit plan. The audit plan is designed keeping in mind various key risks and critical operations of the company and of the Mutual Fund.

During the year, the Audit and Risk Committee met regularly to review various observations and recommendations for improvement of business processes made by the external auditing firm and monitored the progress in implementation of various audit recommendations.

#### **STATUTORY AUDITORS**

The Statutory Auditors, M/s S. R. Batliboi & Co. LLP (erstwhile known as M/s S. R. Batliboi & Co.), Chartered Accountants, having firm registration number 301003E, were re-appointed for the period of 5 year in the Annual General Meeting held on June 14, 2019 to hold the office till the conclusion of the 15<sup>th</sup> Annual General Meeting of the company.

#### **QUALIFICATION IN THE AUDITORS' REPORT**

The report of the Statutory Auditor does not have any qualification, reservation, any adverse observations or any disclaimer.

Further, no frauds have been reported by the Auditors under section 143(12) of the Companies Act, 2013.

#### **EMPLOYEES**

The Company has no employees on its rolls. The statement containing particulars of employees as required under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013, therefore, is not applicable.

#### **PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEE GIVEN OR SECURITY PROVIDED U/S 186 OF THE COPANIES ACT, 2013**

Followings are the details of loans and guarantee given, security provided and Investments made during the year:

1. Loans and guarantee given – Nil
2. Security provided – Nil
3. Investment made:



Amount in rupees & (units)

Details of Investment	Purpose	Opening	Purchase	Redemption	Gain	Closing
Units of : Axis Liquid fund	Parking of surplus working capital	45,92,457 (2320.156)	32,90,000 (1534.54)	18,45,000 (862.45)	1,07,276 (862.45)	6,144,632 (2992.25)

Details of Investment	Purpose	Opening	Purchase	Redemption	Gain	Closing
Axis Treasury Advantage Fund	Non Current Investment	100,000 (99.513)	-	-	-	100,000 (99.513)

### EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT 9 is given in an Annexure (MGT – 9) and forms part of this report.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed. No material departures have been made during the financial year under review;
2. 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 of the Company for that period;
3. 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;
4. the Directors had prepared the annual accounts on a going concern basis;
5. 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.

### COMPLIANCE WITH SECRETARIAL STANDARD – 1

The Company has complied with Secretarial Standard -1 (SS-1) on meeting of Board of Directors.

### ACKNOWLEDGEMENT

The Board of Directors places on record, its gratitude to the Securities and Exchange Board of India, Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks, distributor partners for their strong support and guidance. The Board acknowledges the support of the shareholders and also places on record its sincere thanks to valued clients and customers for their continued patronage. The Board also expresses its deep sense of appreciation to all the employees of Axis Asset Management Company Limited for their strong work ethic, excellent performance, professionalism, team work, commitment and initiative which has led to the Mutual Fund making commendable progress in today's challenging environment.

for and on behalf of the Board of Directors

Director  
DIN: 02470242

Director  
DIN: 06407060



Place: Mumbai  
Date: April 22, 2020

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)

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

Sr No	Name of the related party	Nature of relationship	Nature of the contract	Duration of the contract	Particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any
NIL						
2. Details of contracts or arrangements or transactions at arm's length basis:						
Sr No	Name of the related party	Nature of relationship	Nature of the contract	Duration of the contract	Particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any
1	Axis Bank Limited	Holding Company	Royalty Charges/Brand usage charges	Ongoing, effective till not terminated	Brand usage policy of Axis Bank allows usage of Axis brand by the Bank's subsidiaries, step-down subsidiaries, associates, co-partners etc. Axis AMC and other subsidiaries use the "Axis" brand in various official communications/signboards/hoardings and other marketing materials without any consideration being charged for that.	Brand usage policy of Axis Bank allows usage of Axis brand by the Bank's subsidiaries, step-down subsidiaries, associates, co-partners etc. Axis AMC and other subsidiaries use the "Axis" brand in various official communications/signboards/hoardings and other marketing materials without any consideration being charged for that.
2	Independent/Associate Directors	Independent/Associate Directors	Directors Stifing Fees	Ongoing, effective till not terminated	In terms of section 7 (c) read with Schedule I of Central Goods and Service Tax Act, 2017, any supply of goods or services between related persons when made in the course or furtherance of business will be treated as a supply even if made without consideration.	Axis Bank will charge 0.15% p.a. of adjusted operating revenue in lieu of grant of "Right to Use" of the Axis brand. Total annual value is Rs 7,200/- plus GST
					For every meeting attended the director is paid Rs 50,000/- per meeting attended.	50,000/- per meeting attended
	Kedar Desai	Independent				1,00,000
	Uday M. Chilale	Independent				6,50,000
	T.C. Nair	Independent				2,00,000
	Radhakrishnan Nair	Independent				4,50,000
	G. Gopalakrishna	Independent				3,00,000
	Vijayalakshmi Iyer	Independent				2,50,000
	Bapi Munshi	Associate				6,50,000

For and on behalf of the Board of Directors

*[Signature]*  
Director

DIN: 024720242 DIN: 06407040

Place: Mumbai  
Date: April 22, 2020





**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2020

[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: U66020MH2009PLC189325
- ii) Registration Date: January 2, 2009
- iii) Name of the Company: Axis Mutual Fund Trustee Ltd.
- iv) Category / Sub-Category of the Company: Company Limited by Shares, Indian Non-Government Company
- v) Address of the Registered office and contact details: Axis House, 1st Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

**II. Principal business activities of the company**

All the Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trustee to Axis Mutual Fund	9971	100%

**III. Particulars of holding, subsidiary and associate companies**

Sl. No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Axis Bank Limited	L65110GJ1993 PLC020769	Holding	75%*	2(46)

\*Schroder Singapore Holdings Private Limited holds 25% plus one share

**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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	37429	0	37429	74.858	37429	0	37429	74.858	0
f) Any Other	70@	0	70@	0.14	70@	0	70@	0.14	0
<b>Sub-total (A) (1):-</b>	<b>37499</b>	<b>0</b>	<b>37499</b>	<b>74.998</b>	<b>37499</b>	<b>0</b>	<b>37499</b>	<b>74.998</b>	<b>0</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	12501	0	12501	25.002	12501	0	12501	25.002	0
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>12501</b>	<b>0</b>	<b>12501</b>	<b>25.002</b>	<b>12501</b>	<b>0</b>	<b>12501</b>	<b>25.002</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>50000</b>	<b>0</b>	<b>50000</b>	<b>100</b>	<b>50000</b>	<b>0</b>	<b>50000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-



h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	50000	0	50000	100	50000	0	50000	100	0

@ shares held by nominees of Axis Bank Limited.



ii) Shareholding of Promoters

SI No	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 to total shares	
1	Axis Bank Ltd.	37499	74.998	0	37499	74.998	0	0
2	Schroder Singapore Holdings Private Limited	12501	25.002	0	12501	25.002	0	0
	<b>Total</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>0</b>

@ Out of 37,499 shares held by Axis Bank Limited, 70 shares are held by nominees of Axis Bank Limited

iii) Change in Promoters' Shareholding - No change during the year

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Nil					

v) Shareholding of Directors and Key Managerial Personnel: Nil



V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments - NIL

VI. Remuneration of directors and Key Managerial Personnel

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
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) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	As specified in section 197, 198 and Schedule V of Companies Act, 2013 and any other applicable rules, regulation of Companies Act, 2013	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount (in Rs.)
		T. C. Nair	Kedar Desai	Uday Chitale	Radhakrishnan Nair	G Gopalakrishna	Vijayalakshmi Iyer	

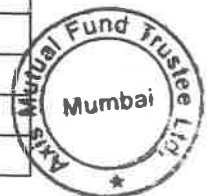


Independent Directors Fee for attending board/ committee meetings	2,00,000	1,00,000	6,50,000	4,50,000	3,00,000	2,50,000	22,00,000
<b>Total(1)</b>	<b>2,00,000</b>	<b>1,00,000</b>	<b>6,50,000</b>	<b>4,50,000</b>	<b>3,00,000</b>	<b>2,50,000</b>	<b>19,50,000</b>
Other Non-Executive Directors Fee for attending board Commission Others, please specify	Bapi Munshi 6,50,000	-	-	-	-	-	6,50,000
<b>Total(2)</b>	<b>6,50,000</b>	-	-	-	-	-	<b>6,50,000</b>
<b>Total(B)=(1+2)</b>							<b>26,00,000</b>
<b>Total Managerial Remuneration (B)</b>	<b>8,50,000</b>	<b>1,00,000</b>	<b>6,50,000</b>	<b>4,50,000</b>	<b>3,00,000</b>	<b>2,50,000</b>	<b>26,00,000</b>
Overall Ceiling as per the Act			<p>197 (1)(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,—  (A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;  (B) three per cent of the net profits in any other case.</p> <p>197 (2) The percentages aforesaid shall be exclusive of any fees payable to directors under sub-section (5).</p> <p>197 (5) A director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board.</p>				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: The Company has no employees on its rolls.

#### 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)
<b>A. Company</b>					
Penalty	Nil				
Punishment					
Compounding					



<b>B. Directors</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty	Nil				
Punishment					
Compounding					

for and on behalf of the Board of Directors



**Director**

DIN: 02470242



**Director**

DIN: 06407040

Place: Mumbai

Date: April 22, 2020



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

12th Floor, The Ruby  
29 Senapati Bapat Marg  
Dadar (West)  
Mumbai - 400 028, India  
Tel: +91 22 6819 8000

## INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Mutual Fund Trustee Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Axis Mutual Fund Trustee Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 including cash flows of the Company in accordance with the accounting principles generally accepted in India, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for





## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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 Board of Directors 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 with reference to financial statements 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.



# S.R. BATLIBOI & CO. LLP

Chartered Accountants

## 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; Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
  - (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;
    - 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



per Jayesh Gandhi  
Partner

Membership Number: 037924  
UDIN: 20037924AAAABI6918  
Place of Signature: Mumbai  
Date: 22 April 2020





## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

Re: Axis Mutual Fund Trustee Limited ("the Company")

- (i) The Company did not have any fixed assets during the year, and accordingly provisions of clause 3(i) of the Order related to fixed assets are not applicable.
- (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 explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including, income-tax, sales-tax, wealth-tax, goods & service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, goods & service tax, sales-tax, duty of custom, duty of excise, value added 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.  
(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, goods & service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) The Company did not had managerial personnel to whom managerial remuneration has been paid during the year, and accordingly provisions of clause 3(xi) of the Order related to managerial remuneration is not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.



## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (xiii) According to the information and explanations given to us, there were no related party transactions during the year, and accordingly provisions of clause 3(xiii) of the Order related to related party are not applicable.
- (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 not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and 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 them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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



per Jayesh Gandhi  
Partner  
Membership Number: 037924  
Place of Signature: Mumbai  
Date: 22 April 2020





# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AXIS MUTUAL FUND TRUSTEE 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 Mutual Fund Trustee Limited

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

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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



## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jayesh Gandhi  
Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 22 April 2020



**AXIS MUTUAL FUND TRUSTEE LIMITED**

Balance sheet as at March 31, 2020

	Notes	March 31, 2020 ₹	March 31, 2019 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	5,930,066	4,578,794
		<u>6,430,066</u>	<u>5,078,794</u>
<b>Current liabilities</b>			
(a) Trade payables-Other than MSME		353,772	185,076
(b) Trade payables-MSME		-	-
(c) Other current liabilities	5	163,551	114,147
		<u>517,323</u>	<u>299,223</u>
<b>TOTAL</b>		<u><u>6,947,389</u></u>	<u><u>5,378,017</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Non current investments	6	100,000	100,000
(b) Deferred tax assets	7	15,747	1,609
(c) Other loans and advances	11	10,670	171,514
		<u>126,417</u>	<u>273,123</u>
<b>Current assets</b>			
(a) Current investments	8	6,144,733	4,592,457
(b) Trade receivables	9	432,000	432,000
(c) Cash and cash equivalents	10	137,965	10,283
(d) Other loans and advances	11	106,274	70,154
		<u>6,820,972</u>	<u>5,104,894</u>
<b>TOTAL</b>		<u><u>6,947,389</u></u>	<u><u>5,378,017</u></u>

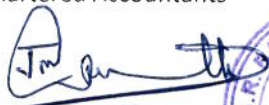
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



Per Jayesh Gandhi  
Partner

Membership No.037924



Place: Mumbai

Date : April 22, 2020

For and on behalf of the Board of Directors



Director

DIN : 02470242

Director

DIN : 06407040



Place: Mumbai

Date : April 22, 2020



# AXIS MUTUAL FUND TRUSTEE LIMITED

Statement of Profit and Loss for the period ended March 31, 2020

	Notes	March 31, 2020 ₹	March 31, 2019 ₹
<b>Income</b>			
<b>Revenue from operations</b>			
Trusteeship fee		4,800,000	4,800,000
<b>Other income</b>			
Profit on sale of investments		107,276	490,072
Interest on Income-tax refund		11,213	-
<b>Total revenue</b>		<b>4,918,489</b>	<b>5,290,072</b>
<b>Expenses:</b>			
Administrative and Other Expenses	12	3,110,080	3,397,725
<b>Total expenses</b>		<b>3,110,080</b>	<b>3,397,725</b>
<b>Profit before tax</b>		<b>1,808,409</b>	<b>1,892,347</b>
<b>Tax expense:</b>			
(1) Current tax		469,329	429,843
(2) (Excess)/short provision of income-tax of earlier years provided		1,946	11,989
(3) Deferred tax (assets)/liability		(14,138)	6,243
		<b>457,137</b>	<b>448,075</b>
<b>Profit for the year after tax</b>		<b>1,351,272</b>	<b>1,444,272</b>
<b>Basic and diluted earnings per equity share</b>		<b>27.03</b>	<b>28.89</b>
[Nominal value of share ₹10 (March 31, 2019 : ₹10)]			

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



Per Jayesh Gandhi

Partner

Membership No.037924



Place: Mumbai

Date: April 22, 2020

For and on behalf of the Board of Directors



Director

DIN : 02470242

Director

DIN : 06407040



Place: Mumbai

Date : April 22, 2020



## AXIS MUTUAL FUND TRUSTEE LIMITED

### Cash Flow statement for the period ended Mar 31, 2020


	March 31, 2020	March 31, 2019
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,808,409	1,892,347
Profit on Sale of Investment	(107,276)	(490,072)
Interest on income tax refund	(11,213)	-
<b>Operating profit before working capital changes</b>	<b>1,689,920</b>	<b>1,402,275</b>
(Increase)/ Decrease in other Loans and Advances	(36,120)	112,379
(Increase)/ Decrease in Trade Receivables	-	-
Increase/ (Decrease) in Current Liabilities	218,101	(510,464)
<b>Cash generated from operations</b>	<b>1,871,901</b>	<b>1,004,190</b>
Income Tax Paid (including TDS)	(480,000)	(480,000)
Income tax refund received(including interest on income tax refund)	180,781	-
<b>Net cash from operating activities</b>	<b>1,572,682</b>	<b>524,190</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(3,290,000)	(5,615,000)
Proceeds from Sale of Investments	1,845,000	5,083,350
<b>Net cash from/ (used in) investing activities</b>	<b>(1,445,000)</b>	<b>(531,650)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net (Decrease)/ Increase in cash and cash equivalents	127,682	(7,460)
Cash and cash equivalents at the beginning of the Year	10,283	17,743
<b>Cash and cash equivalents at the end of the Year</b>	<b>137,965</b>	<b>10,283</b>

As per our report of even date

For S.R.BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



Per Jayesh Gandhi

Partner


Membership No.037924



Place: Mumbai

Date April 22, 2020

For and on behalf of the Board of Directors



Director  
DIN : 02470242

Director  
DIN : 06407040



Place: Mumbai

Date :April 22, 2020

## Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2020

### 1. Corporate information

Axis Mutual Fund Trustee Limited ('the Company') was incorporated on January 2, 2009 under the Companies Act, 1956 and a limited company within the meaning of Companies Act, 2013. Axis Bank Limited holds 75% of the total issued and paid up equity share capital, the balance 25% plus one equity share is held by Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders plc.

The Company's principal activity is to act as a trustee to Axis Mutual Fund ('the Fund').

### 2. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the 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. The Company has prepared financials based on Indian GAAP as Ind AS is not applicable to the Company.

#### 2.1 Summary of significant accounting policies

##### a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### b. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

##### c. Revenue recognition

Trustee fee is recognized on accrual basis, at the specific rates/ amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of Axis Mutual Fund.

Purchase and sale of investments are recorded on trade date. The profit/ loss on sale of investments is recognized in the statement of profit and loss on trade date, using the weighted average cost method.

##### d. Taxes on income

Tax expense comprises current tax and deferred taxes. 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.





## Axis Mutual Fund Trustee Limited

### Notes to financial statements for the year ended March 31, 2020

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized 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.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets 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 is reviewed at each balance sheet 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.

The Company has adopted new regime of taxation and accordingly tax provision has been made.

#### e. Earnings per share

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

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

#### f. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### g. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### h. 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 out flow 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 the contingent liability but discloses its existence in the financial statements.



**AXIS MUTUAL FUND TRUSTEE LIMITED**

**Notes to financial statements for the period ended March 31, 2020**

**3 Share capital**

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
<b>Authorised shares</b> 100,000 (March 31, 2019 : 100,000) Equity Shares of ₹10 each	1,000,000	1,000,000
<b>Issued, subscribed and fully paid up shares</b> 50,000 (March 31, 2019 : 50,000) Equity Shares of ₹10 each	500,000	500,000
<b>Total Issued, subscribed and fully paid up shares</b>	<b>500,000</b>	<b>500,000</b>

**a. Reconciliation of the shares outstanding at the beginning and end of the year**

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	₹	No. of shares	₹
<b>Equity shares</b>				
At the beginning of the year	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

**b. Terms /rights attached to equity shares**

The company has only one class of shares referred to as equity shares having par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

The company has not declared any dividends during the 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 distributions of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

**c. Details of shares held by holding company and shareholders holding more than 5% shares**

Name of the shareholders	March 31, 2020		March 31, 2019	
	₹	% holding in the class	₹	% holding in the class
Axis Bank limited and its nominees, the holding company hold 37,499 (March 31, 2019 : 37,499) Equity shares of ₹10 each fully paid	374,990	75%	374,990	75%
Schroder Singapore Holdings Private Limited 12,501 (March 31, 2019 : 12,501) Equity Shares of ₹10 each fully paid	125,010	25%	125,010	25%



4 Reserves and surplus

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Capital Fund	100,000	100,000
<b>Surplus in statement of profit and loss</b>		
Balance as per last financial statements	4,478,794	3,034,522
Add: Profit for the year	1,351,272	1,444,272
Closing balance	5,830,066	4,478,794
<b>Total reserves and surplus</b>	<b>5,930,066</b>	<b>4,578,794</b>

5 Other current liabilities

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Statutory Dues payable	163,551	114,147
<b>Total other current liabilities</b>	<b>163,551</b>	<b>114,147</b>



**AXIS MUTUAL FUND TRUSTEE LIMITED**

Notes to financial statements for the period ended March 31, 2020

**6 Non-current investments**

Investments in mutual funds	March 31, 2020 ₹	March 31, 2019 ₹
99.513 Units (Previous year 99.513 units) in Axis Treasury Advantage Fund - Retail Growth	100,000	100,000
<b>Total investments</b>	<b>100,000</b>	<b>100,000</b>
<b>Market value (Net Assets Value)</b>	<b>210,455</b>	<b>194,431</b>

Above investments are unquoted.

**7 Deferred tax**

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Deferred tax assets on Investments	15,747	1,609
	<b>15,747</b>	<b>1,609</b>

**8 Current investments**

Investments in mutual funds	March 31, 2020 ₹	March 31, 2019 ₹
2992.218 Units (Previous year 2320.156 units) in Axis Liquid Fund - Direct Growth Plan	6,144,733	4,592,457
<b>Total investments</b>	<b>6,144,733</b>	<b>4,592,457</b>
<b>Market value (Net Assets Value)</b>	<b>6,595,855</b>	<b>4,810,898</b>

Above investments are unquoted.





**AXIS MUTUAL FUND TRUSTEE LIMITED**

Notes to financial statements for the period ended March 31, 2020

**9 Trade receivables**

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Unsecured, considered good and outstanding for less than six months		
- Trusteeship fee receivable*	432,000	432,000
	<u>432,000</u>	<u>432,000</u>

\* Represents amounts due from Axis Mutual Fund (the Company acts as a trustee to the Fund)

**10 Cash and cash equivalents**

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Balances with bank in current account (Scheduled bank)	137,965	10,283
	<u>137,965</u>	<u>10,283</u>

**11 Other loans and advances**

Particulars	Non Current		Current	
	March 31, 2020 ₹	March 31, 2019 ₹	March 31, 2020 ₹	March 31, 2019 ₹
Advance tax and tax deducted at source (Net of provision for tax)	10,671	171,514	-	-
- GST Input Tax Credit	-	-	106,274	70,154
	<u>10,671</u>	<u>171,514</u>	<u>106,274</u>	<u>70,154</u>

**12 Administrative and other Expenses**

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Legal and professional fees	274,700	264,000
Payment to auditors		
- Audit fee	75,000	55,000
- Out of pocket expenses	3,355	3,795
Directors sitting fees	2,600,000	2,850,000
Car hire charges	122,795	204,282
Miscellaneous expenses	23,572	2,484
GST Expenses	3,458	18,164
Establishment Expenses	7,200	-
	<u>3,110,080</u>	<u>3,397,725</u>



## Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2020

### 13. Earnings Per Share ('EPS')

EPS is computed in accordance with AS-20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India (ICAI). The numerators and denominators used to calculate Basic and Diluted Earnings per Share are given below:

Particulars	March 31, 2020	March 31, 2019
(a) Nominal value of equity share (₹)	10	10
(b) Net profit available to equity shareholders (₹)	1,351,272	1,444,272
(c) Weighted average number of equity shares outstanding	50,000	50,000
(d) Basic and Diluted EPS (₹) = (b)/ (c)	27.03	28.89

The Company does not have any potential equity shares and, accordingly, the basic EPS and diluted EPS are the same.

### 14. Related Party Disclosure

- Related parties where control exists  
Axis Bank Limited – Holding Company

The nature and volume of transactions of the Company with the above related parties for the year ended March 31, 2020 were as follows:

Particulars	(Amount ₹)	
	Axis Bank Limited	
	As At	
	March 31, 2020	March 31, 2019
<u>Transactions:-</u>	-	-
<u>Expenditure:</u>		
Royalty Fees	7,200	-
<u>Outstanding balance: -</u>		
Current account balance with Axis Bank	1,37,965	10,283
Equity share capital	374,990	374,990
Sponsor's contribution	100,000	100,000
Sundry Creditors towards Royalty Fees	1,620	-

### 15. Segment reporting

The Company acts as a Trustee for the schemes of Axis Mutual Fund. As the Company is engaged only in one business segment and has no geographical segments, the Balance Sheet and the Statement of Profit and Loss pertain to one business segment.





**Axis Mutual Fund Trustee Limited**

Notes to financial statements for the year ended March 31, 2020

**16. Capital fund**

Capital fund comprises an amount received, on an irrevocable basis, from the Sponsor, as a contribution to the Fund in accordance with the terms of the Deed of Trust. The amount is held by the Company in its fiduciary capacity as the trustee to Axis Mutual Fund and is intended to be utilised only for the purposes as mentioned in the Deed of Trust.

17. Contingent Liabilities and capital commitments are Nil (March 31,2019 : Nil)

**18. Prior period comparatives**

Figures of the previous year have been regrouped / reclassified wherever necessary to conform to current year's presentation.

As per our report of even date.

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

  
Per Jayesh Gandhi  
Partner  
Membership No.037924



For and on behalf of the Board of Directors

  
Director  
DIN : 02470242

  
Director  
DIN : 06407040



Place: Mumbai  
Date: April 22, 2020

Place: Mumbai  
Date: April 22, 2020