AXIS TRUSTEE

AXIS TRUSTEE SERVICES LIMITED

DIRECTORS' REPORT - 2017-18

AXIS TRUSTEE

DIRECTORS' REPORT: 2017-18

To,
The Members,
AXIS TRUSTEE SERVICES LIMITED

The Board of Directors has the pleasure of presenting the Tenth Annual Report of the Company on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL PERFORMANCE

The financial highlights of the Company for the year ended March 31, 2018 are presented below:-

(Rs. In Crores)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Income from trusteeship services	34.24	31.92
Interest and other income	4.15	4.29
Gross Income	**38.39**	**36.21**
Operating Expenses (excluding depreciation)	9.63	9.51
Profit before Depreciation, Provisions and Tax	28.76	26.70
Depreciation	0.27	0.22
Provision for Tax	8.29	9.25
Other Provisions	-	-
Net Profit for the period	**20.20**	**17.23**
Appropriations:		
Transfer to General Reserve	2.02	1.72
Surplus carried to Balance Sheet	18.18	15.51
TOTAL	**20.20**	**17.23**

OPERATIONS, NATURE OF BUSINESS AND FUTURE OUTLOOK OF THE COMPANY

We are glad to inform you that your Company continues to maintain its consistent track record of good performance. During the FY18 under review, the total revenue of the company was at Rs.38.39 crs as against Rs. 36.21 crs in FY17. The Profit before depreciation, provisions and taxation was Rs. 28.76 crs In FY18 as against Rs. 26.70 crs in FY17. The performance has been good despite steep competition & continuing slow credit off-take. Profit available for appropriation after providing depreciation and taxation stands at Rs. 20.20 Cr. as against Rs.17.23 Cr. in the previous period. The earning per share in the year 2017-18 is Rs. 134.63 per share as against Rs. 114.91 per share in the year 2016-2017.

The Corporate Trustee business grows mainly under Debenture Trustee & Security Trustee business and in order to accelerate revenue growth the Company focused on AIFs, REIT and INVIT mandates. The first and the only registered REIT mandate is with your company while one of the very early mandates under INVITs got listed during FY18. The Company is also making in-roads in booking AIF mandates during FY18. Considering the operating and reputation risks associated with Family office business the Company followed a very cautious approach in this

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business segment. The company also strengthened its operating platform wherein alerts/reminders for Debenture Trustee mandates are being sent out centrally in addition to system generated SEBI Reports.

RESERVES

The Company proposes to transfer an amount of Rs.2.02 Crs to the General Reserves.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 90/- per share (90%) for the financial year ended March 31, 2018, subject to approval of the members in the ensuing Annual General Meeting (AGM). The total cash outflow for the Company (including DDT) shall be Rs. 16.27 Crs.

BOARD OF DIRECTORS

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

RETIREMENT BY ROTATION

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

DETAILS OF BOARD MEETINGS

During the year under review, four meetings of the Board of Directors of the Company were held and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The details of the Board Meetings of the Company for the Financial Year 2017-18 are summarized below:

Sr. No.	Date of the meeting	No. of Directors who attended the meeting
1.	April 17, 2017	5 (Five)
2.	July 28, 2017	5 (Five)
3.	October 10, 2017	5 (Five)
4.	January 10, 2018	5 (Five)

PARTICULARS OF EMPLOYEES

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

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DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' COMMENTS ON AUDITORS' REPORT

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

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

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

HOLDING COMPANY

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

PUBLIC DEPOSITS

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

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

(a) Conservation of energy

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

(b) Technology absorption

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

(c) Foreign exchange earnings and outgo

During the year, the total foreign exchange used was Nil and the total foreign exchange earned was equivalent to INR 1,32,50,341/-.

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 RESPONSIBILTY INITIATIVES

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

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As part of its initiative under "Corporate Social Responsibility" (CSR), the Company has contributed to Axis Bank Foundation (ABF) to support Project run with Dilasa Sanstha. The project outlines at promoting and developing diversion based irrigation structures, seed preservation, mixed cropping pattern, innovative soil & water conservation measures etc. The project provides access to bank credit across the Vidarbha and Marathwada regions in the state of Maharashtra. These activities are in accordance with Schedule VII of the Companies Act, 2013.

During the Financial Year 2017-18, the CSR Committee met 3 times on April 17, 2017; July 28, 2017 and January 10, 2018. During the year under review, the Company has spent Rs. 52,52,365/- towards CSR activity undertaken through Axis Bank Foundation. A detailed disclosure on the same is enclosed herewith as "Annexure-III" to this report. Further, a responsibility statement received from the members of the CSR Committee is enclosed in the said disclosure. Also, the CSR policy of the Company is placed on the website of the company.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

STATUTORY AUDITORS AND THEIR REPORT

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

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Statutory Auditors is required to be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the company for the financial year 2018-19, was placed for ratification by the members of the company at the Tenth Annual General Meeting.

The Board of Directors have proposed the ratification of appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the company for the financial year 2018-19 for the approval of the members at the Tenth Annual General Meeting of the company. In view of the foregoing, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting for their appointment as Statutory Auditors for the Financial Year 2018-19 on the remuneration as approved by the Board of Directors. In this regard, the company has received a confirmation from Statutory Auditors regarding their eligibility.

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

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ADEQUACY OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

SECRETARIAL COMPLIANCE

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

OTHER ISSUES

Further, SEBI had conducted inspection of books and records during October 12-14, 2015 and issued Show cause notice on October 04, 2017 under Rule 4 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995. Your company has duly replied to the adjudicating authority with documentary evidence, made in-person submissions through the counsel. The order is pending from SEBI.

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

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Place: Mumbai
Date: 13 April, 2018

V. SRINIVASAN
Chairman
DIN: 00033882

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Form No. MGT-9
(Annexure-I)

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding / Subsidiary / Associate	%of shares held	Applicable Section
1.	Axis Bank Limited, Trishul, 3rd Floor, Opp. Samartheshwar Temple Law Garden, Ellisbridge, Ahmedabad GJ 380 006 India.	L65110GJ1993PLC020769	Holding	99.99	2(46)

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

i. *Category-wise Share Holding*

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

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e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**1500000**	**0**	**1500000**	**100**	**1500000**	**0**	**1500000**	**100**	**0**
*** The 70 Shares disclosed in "Any Other" Category belong to the Nominees of Axis Bank Limited, who hold shares in the Company on behalf of Axis Bank Limited**									

ii. *Shareholding of Promoters*

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

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

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

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	% change in shareholding during the year
1.	Axis Bank Limited	1499930	99.99533	0	1499930	99.99533	0	0
2.	Mr. K. Vishwanathan (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
3.	Mr. Sidharth Rath (Nominee of Axis Bank Limited)	10	0.000667	0	10	0.000667	0	0
4.	Mr. Advait Majmudar	10	0.000667	0	10	0.000667	0	0

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not	0	0	0	0
	0	0	0	0

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

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director & CEO	Total Amount
		Mr. M. Raghuraman	
		01.04.2017 –31.03.2018	
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	27,72,900 - -	27,72,900
2.	Stock Option (in	14000	
3.	Sweat Equity	-	
4.	Commission - as % of profit - others, specify	- - -	
5.	Others, please specify: 1. House Rent Allowance 2. Fixed Allowance 3. Medical 4. Leave fare Concession	-	

	5. Child Education Allowance 6. Utility Allowance 7. Furniture Allowance 8. PF, Gratuity, Conveyance & Telephone 9. Leave fare Encashment 10. Variable Pay Superannuation		
6.	Total(A)	27,72,900	27,72,900
	Ceiling As per the Act	Within the limits (5% of Profit After Tax)	Within the limits

B. *Remuneration to other directors:*

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors: · Fee for attending Board and Committee Meetings · Commission · Others, please specify	Nil		Nil
	Total(1)	-	-	-
	Other Non-Executive Directors: · Fee for attending Board & Committee Meetings · Commission · Others, please specify	Mr. Rajaraman Viswanathan 1,40,000 - -	Mr. Ram Bharoseylal Vaish 80,000 - -	2,20,000 - -
	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	Within the prescribed limit		
	Overall Ceiling as per the Act			

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO	Total
1.	Gross salary:	0	0	0	0

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	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act,1961				
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as% of profit - others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0
Details of remuneration paid to CEO already stated in Point A. above					

VII. **PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Director

V. SRINIVASAN
Chairman
DIN: 0003388

Place: Mumbai
Date: 13th April, 2018

AXIS TRUSTEE

ANNEXURE-II
Form No. AOC-2

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

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

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

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

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

(a)	Name(s) of the related party and Nature of relationship	:	1. Axis Bank Limited (Holding Company) 2. Axis Capital Limited (Fellow Subsidiary) 3. Axis Finance Limited (Fellow Subsidiary) 4. Axis Asset Management Company Limited (Fellow Subsidiary)

(b)	Nature of contracts / arrangements / transactions	:	1. Re-imbursement of costs incurred in respect of employee deputation 2. Rentals paid on shared premises between the Company and the Bank. 3. Payment of services charges (i.e. Bank charges such as I.T Support Services and others). 4. Fees/ commission for trusteeship / custodian / agency services. 5. Receipt of Interest on Fixed Deposit. 6. Reimbursement related to usage of common facilities / other expenses to / from related parties. 7. Payment of Referral Fee 8. Payment of Dividend
(c)	Duration of the contracts / arrangements / transactions	:	Varies with the nature of the contract / arrangement / transaction
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	The Contract/ arrangement / transaction are entered at arms' length price and in normal course of business. Refer Financial Statements.
(e)	Date(s) of approval by the Board, if any	:	17.04.2017
(f)	Amount paid as advances, if any	:	NIL

For and on behalf of the Board of Directors

AXIS TRUSTEE SERVICES LTD. MUMBAI

V. SRINIVASAN
Chairman
DIN: 00033882

Place: Mumbai
Date: 13th April, 2018

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Annexure-III

REPORT ON CSR ACTIVITIES/ INITIATIVES

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

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

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

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

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

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

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

3. The composition of the CSR Committee:

   1. Mr. V. Rajaraman - Chairman
   2. Mr. M. Raghuraman - MD & CEO
   3. Mr. Sidharth Rath - Director

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

Financial Year	Profit before Tax	Average of three years
2014-15	25,14,41,974	52,52,365
2015-16	27,81,34,320	
2016-17	26,49,12,134	

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

Based on the above arrived figures, your company earmarked a sum of Rs. 52,52,365 /- during the financial year 2017-18 towards CSR initiatives.

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

a) Total amount to be spent for the financial year – Rs. 52,52,365 /-
b) Amount un-spent (if any) – Nil
c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity	Sector	Projects/ Programmes 1. Local area/others- 2. specify the state / where project / programme was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project/ program Sub-heads: 1. Direct expenditure on project / program, 2. Overheads	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency *
1.	Livelihood	-Watershed Management and Agriculture Productivity	a) 1. Dilasa Sanstha 2. Yavatmal, Maharashtra	Rs. 52.52 Lacs	Rs. 52.52 Lacs	Rs. 52.52 Lacs	Rs. 52.52 Lacs

**Implementing Agency - Axis Bank Foundation*

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

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

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

M. Raghuraman
MD and CEO

Date: 13th April, 2018
Place: Mumbai

V. Rajaraman
Chairman of CSR Committee

Date: 13th April, 2018
Place: Chennai

AXIS TRUSTEE

To,
The Board of Directors,
Axis Trustee Services Limited

Dear Sirs,

Subject: Responsibility Statement by the CSR Committee

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

M. Raghuraman
MD and CEO
DIN: 07397084

Date: 13th April, 2018
Place: Mumbai

V. Rajaraman
Chairman of CSR Committee
DIN: 01308488

Date: 13th April, 2018
Place: Chennai

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

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, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

   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;

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

i. The Company does not have any pending litigations which would impact its financial position;

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

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

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

per Jitendra H. Ranawat
Partner
Membership Number: 103380
Place of Signature: Mumbai
Date: 13 April 2018

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

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

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

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

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, goods and service tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(c) According to the information and explanations given to us, the dues of income tax outstanding on account of any dispute are as follows:

Nature of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax demand raised against the Company	9,340,780	AY 2011-12	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax demand raised against the Company	4,553,420	AY 2013-14	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax demand raised against the Company	10,950	AY 2014-15	Assistant Commissioner of Income Tax

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Nature of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax demand raised against the Company	22,193,670	AY 2015-16	Assistant Commissioner of Income Tax

(viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the the Company or no fraud on the Company has been noticed or reported during the year.

(xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jitendra H. Ranawat
Partner
Membership Number: 103380
Place: Mumbai
Date: 13 April 2018

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

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

To the Members of Axis Trustee Services Limited

We have audited the internal financial controls over financial reporting of Axis Trustee Services Limited ("the Company") as of March 31, 2018 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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jitendra H. Ranawat
Partner
Membership Number: 103380
Place of Signature: Mumbai
Date: 13 April 2018

AXIS TRUSTEE SERVICES LIMITED

(A wholly owned subsidiary of Axis Bank Limited)

Financial Statements
For the year ended March 2018

Axis Trustee Services Limited
Balance Sheet as at 31st March, 2018

	Note No.	Amount (Rs) 31 March 2018	Amount (Rs) 31 March 2017
Equity and liabilities			
Shareholders' funds			
Share capital	3	15,000,000	15,000,000
Reserves & surplus	4	587,297,416	534,289,106
		602,297,416	**549,289,106**
Non-current liabilites			
Other long term liabilities	5	789,034	132,110
Long term provisions	6	1,705,947	1,335,751
		2,494,981	**1,467,861**
Current liabilities			
Trade payables	7	3,085,681	3,321,881
Other current liabilities	7	110,791,078	107,992,236
Short term provisions	6	10,190,045	10,585,335
		124,066,804	**121,899,452**
Total		**728,859,201**	**672,656,419**
Assets			
Non-current assets			
Fixed assets			
Property, Plant & Equipment	8	1,031,048	1,845,202
Intangible assets	9	6,057,305	7,070,095
Intangiable assets under development		290,000	
Deferred tax assets (net)	10	1,706,123	325,749
Loans & Advances	12	9,088,212	10,769,241
Other non-current assets	14	289,000,000	102,800,000
		307,172,688	**122,810,287**
Current assets			
Current Investments	11	84,626,238	22,500,000
Loans & Advances	12	3,238,855	1,826,067
Trade receivables	13	43,227,634	54,361,712
Cash and Bank balances	15	266,646,050	372,757,431
Other current assets	14	23,947,736	98,400,922
		421,686,513	**549,846,132**
Total		**728,859,201**	**672,656,419**
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 Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: 13 April, 2018

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

M. Raghuraman
Managing Director & CEO
DIN No: 07397084
Place: Mumbai
Date: 13 April, 2018

Sidharth Rath
Director
DIN No: 00682901

Axis Trustee Services Limited

Statement of Profit and Loss for the year ended 31st March, 2018.

	Note No.	Amount (Rs) 31 March 2018	31 March 2017
Income			
Revenue from operations	16	342,418,705	319,226,197
Other income	17	41,461,013	42,891,470
Total revenue (I)		**383,879,718**	**362,117,667**
Expenses			
Employee benefit expense	18	62,359,406	63,730,213
Other expenses	19	33,985,835	31,328,365
Depreciation and amortisation	20	2,701,943	2,146,955
Total expenses (II)		**99,047,184**	**97,205,533**
Profit before tax (I-II)		**284,832,534**	**264,912,134**
Tax expense:			
Current Tax		84,262,011	89,537,419
Deferred Tax		(1,380,374)	3,007,572
Total tax expense		**82,881,636**	**92,544,991**
Profit/(Loss) for the Year		**201,950,898**	**172,367,143**
Earnings per equity share (nominal value of share Rs. 10 ; previous year Rs. 10)			
Basic	21	134.63	114.91
Diluted	21	134.63	114.91
Statement of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: 13 April, 2018

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

M. Raghuraman
Managing Director & CEO
DIN No: 07397084
Place: Mumbai
Date: 13 April, 2018

Sidharth Rath
Director
DIN No: 00682901

Axis Trustee Services Limited

Cash Flow Statement for the year ended 31st March, 2018

Cash flow from operating activities	Amount (Rs.)	
	March 31,2018	March 31,2017
Profit before tax from continuing operations	284,832,534	264,912,133
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	2,701,943	2,146,955
Provision for doubtful debts (net)	(1,270,680)	4,532,618
Loss on disposal/ write off on property,plant & equipment /intangible assets pertaining to continuing operations	-	-
Net Gain on sale of current investments	(626,236)	(6,014,894)
Interest Income	(34,221,640)	(36,376,576)
Operating profit before working capital changes	**251,415,921**	**229,200,236**
Movements in working capital :		
Increase/ (decrease) in trade payables	(236,207)	2,158,181
Increase / (decrease) in long-term provisions	370,196	(1,096,418)
Increase / (decrease) in short-term provisions	(395,290)	2,030,023
Increase/ (decrease) in other current liabilities	2,798,843	2,674,264
Increase/ (decrease) in other long-term liabilities	656,924	(347,231)
Decrease / (increase) in trade receivables	12,404,759	(10,838,701)
Decrease / (increase) in Loans & Advances	(1,412,788)	296,153
Decrease / (increase) in other current assets	(1,209,323)	2,063,854
Cash generated from operations	**264,393,035**	**226,140,361**
Direct taxes paid (net of refunds)	(82,580,982)	(93,473,263)
Net cash flow from operating activities (A)	**181,812,053**	**132,667,098**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,165,000)	(4,169,393)
Investments in bank deposits (having original maturity of more than three months)	(442,622,150)	(204,301,690)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	363,118,640	199,651,690
Purchase of current investments	(76,000,000)	(240,500,000)
Proceeds from sale/maturity of current investments	14,500,000	224,014,892
Interest income	109,884,154	29,495,015
Net cash flow from/ (used in) investing activities (B)	(32,284,356)	4,190,514
Cash flows from financing activities		
Dividend paid on equity shares	(123,750,000)	(123,750,000)
Tax on equity dividend paid	(25,192,588)	(25,192,588)
Net cash flow from/ (used in) in financing activities (C)	(148,942,588)	(148,942,588)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	585,109	(12,084,976)
Cash and cash equivalents at the beginning of the year	13,138,791	25,223,767
Cash and cash equivalents at the end of the year	**13,723,900**	**13,138,791**
Components of cash and cash equivalents		
With banks- on current account	13,723,900	13,138,791
Total cash and cash equivalents (note 15)	**13,723,900**	**13,138,791**
Summary of significant accounting policies	2.1	

The accompanying notes are an integral part of the financial statements

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

As per our report of even date

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

per Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: 13 April, 2018

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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

M. Raghuraman
Managing Director & CEO
DIN No: 07397084
Place: Mumbai
Date: 13 April, 2018

Sidharth Rath
Director
DIN No: 00682901

Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2018

1. Corporate information

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

2. Basis of preparation

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

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

2.1. Summary of significant accounting policies :

(a) Use of estimates

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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(b) Retirement and other employee benefits

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

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

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

(c) Property, Plant and Equipment

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

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

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

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

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

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

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

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

(f) Intangible Assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the company amortizes the intangible

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asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

(g) Revenue recognition

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

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

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

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

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

(h) Income taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originated during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred

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tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

(i) Segment information

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

(j) Earnings per share

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

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

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(k) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

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

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

(l) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(m) Cash and Cash Equivalents

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

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Notes to Financial statements for the year ended 31 March 2018

(n) Leases

Where the company is lessee;

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

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Notes to Financial statements for the year ended 31 March 2018

3. Share capital

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Authorized shares		
5,000,000 (31 March 2017: 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 2017: 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 2018		31 March 2017	
	No.	Amount (Rs.)	No.	Amount (Rs.)
At the beginning of the period	1,500,000	15,000,000	1,500,000	15,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	**1,500,000**	**15,000,000**	**1,500,000**	**15,000,000**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March, 2018 the amount of per share dividend recognized as distributions to equity shareholders is Rs.82.50 per share (31 March, 2017: Rs. 82.50 per share paid in current year)

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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 2018 Amount (Rs.)	As at 31 March 2017 Amount (Rs.)
Axis Bank Limited, the holding company and its nominees		
1,500,000 (31 March 2017: 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 2018		As at 31 March 2017	
	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.

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Notes to Financial statements for the year ended 31 March 2018

(e) Proposed dividends on Equity shares:

	As at 31 March 2018 Amount (Rs.)	As at 31 March 2017 Amount (Rs.)
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on 31 March 2018: Rs. 90 per share (31 March 2017: Rs.82.5 per share)	135,000,000	123,750,000
Dividend Distribution Tax on proposed dividend	27,756,000	25,192,588
	162,756,000	**148,942,588**

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Notes to Financial statements for the year ended 31 March 2018

4. Reserves and surplus

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
General reserve		
Balance as per the last financial statements	100,432,990	83,196,276
Add: amount transferred from surplus balance in the statement of profit and loss	20,195,090	17,236,714
Closing Balance	**120,628,080**	**100,432,990**
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	433,856,116	427,668,275
Profit for the year	201,950,898	172,367,143
Less: Appropriations		
Dividend on equity shares (amount per share Rs. 82.5 per share)	(123,750,000)	(123,750,000)
Dividend Distribution Tax	(25,192,588)	(25,192,588)
Transfer to general reserve	(20,195,090)	(17,236,714)
Total appropriations	(169,137,678)	(166,179,302)
Net surplus in the statement of profit and loss	**466,669,336**	**433,856,116**
Total reserves and surplus	**587,297,416**	**534,289,106**

5. Other long-term liabilities

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Unearned revenue	789,034	132,110
	789,034	**132,110**

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Notes to Financial statements for the year ended 31 March 2018

6. Provisions

	Long-term		Short-term	
	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Provision for employee benefits				
Provision for gratuity (Refer Note 22)	1,191,101	879,400	147,195	80,023
Provision for leave benefits	514,846	456,351	436,484	348,045
Provision for variable pay	-	-	6,889,698	8,178,263
	1,705,947	**1,335,751**	**7,473,377**	**8,606,331**
Other provisions				
Provision for expenses	-	-	2,716,668	1,979,004
	-	-	**2,716,668**	**1,979,004**
	1,705,947	**1,335,751**	**10,190,045**	**10,585,335**

7. Other current liabilities

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Trade Payables (Refer note 25 for details of dues to micro and small enterprises)	3,085,681	3,321,881
	3,085,681	**3,321,881**
Other liabilities		
Unearned revenue	100,646,488	107,590,333
Others:		
Undisputed Statutory Dues Payable	10,143,619	401,903
Due to the holding company (Axis Bank)	971	-
	110,791,078	**107,992,236**
	113,876,752	**111,314,117**

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Notes to Financial statements for the year ended 31 March 2018

8. Property plant and equipment

	Computers	Computer Servers	Office Equipment's	Mobiles	Furniture and Fixtures	Total
Cost						
At 1 April 2016	1,776,264	1,012,200	7,208	73,750	1,294,944	4,164,366
Additions	567,550	-	16,313	-	63,430	647,293
Disposals	-	-	-	-	-	-
At 31 March 2017	**2,343,814**	**1,012,200**	**23,521**	**73,750**	**1,358,374**	**4,811,659**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2018	**2,343,814**	**1,012,200**	**23,521**	**73,750**	**1,358,374**	**4,811,659**
Depreciation						
At 1 April 2016	1,305,957	246,786	4,086	72,680	471,591	2,101,100
Charge for the year	392,925	337,366	2,156	1,070	131,840	865,357
Disposals	-	-	-	-	-	-
At 31 March 2017	**1,698,882**	**584,152**	**6,242**	**73,750**	**603,431**	**2,966,457**
Charge for the year	338,598	337,366	2,352	-	135,837	814,153
Disposals	-	-	-	-	-	-
At 31 March 2018	**2,037,480**	**921,518**	**8,594**	**73,750**	**739,268**	**3,780,610**
Net Block						
At 31 March 2017	**644,932**	**428,048**	**17,279**	**-**	**754,943**	**1,845,202**
At 31 March 2018	**306,334**	**90,682**	**14,926**	**-**	**619,106**	**1,031,048**

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Notes to Financial statements for the year ended 31 March 2018

9. Intangible assets

	Computer Software
Gross block	
At 1 April 2016	5,408,336
Additions	3,522,100
Disposal/write off	
At 31 March 2017	**8,930,436**
Additions (including capitalized during the year)	875,000
Disposal/Write off	-
At 31 March 2018	**9,805,436**
Amortization	
At 1 April 2016	578,743
Charge for the year	1,281,598
Disposal/write off	-
At 31 March 2017	**1,860,341**
Charge for the year	1,887,790
Disposal/Write off	
At 31 March 2018	**3,748,131**
Net block	
At 31 March 2017	**7,070,095**
At 31 March 2018	**6,057,305**

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Notes to Financial statements for the year ended 31 March 2018

10. Deferred tax asset (net)

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	850,441
Property, plant and equipment and intangible assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,002,076	-
Provision for doubtful debts (net)	949,907	-
Gross deferred tax asset	**1,951,983**	**850,441**
Deferred tax liability		
Property, plant and equipment and intangible assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	245,860	524,692
Gross deferred tax liability	**245,860**	**524,692**
Net deferred tax asset	**1,706,123**	**325,749**

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Notes to Financial statements for the year ended 31 March 2018

11. Investments

	Non-Current		Current	
	31 March 2018 Amount in (Rs.)	31 March 2017 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Investments valued at Cost				
Investment in Mutual Funds (Market Value Rs.89,798,506)	-	-	84,626,238	22,500,000
	-	-	**84,626,238**	**22,500,000**

12. Loans & Advances

	Non-Current		Current	
	31 March 2018 Amount in (Rs.)	31 March 2017 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Other Loans & Advances				
Unsecured, considered good				
Prepaid expenses	-	-	78,1970	1,504,553
Deposit with Central Registry	-	-	657,752	254,197
GST/Service Tax receivable	-	-	1,799,133	67,317
Advance payment of income tax / tax deducted at source (after adjusting provision for tax: Rs. 599,662,662; previous year : Rs.515,400,652)	9,088,212	10,769,241	-	-
	9,088,212	**10,769,241**	**3,238,855**	**1,826,067**

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Notes to Financial statements for the year ended 31 March 2018

13. Trade receivables

	Non-Current		Current	
	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	11,472,269	7,711,466
Doubtful	-	-	1,752,313	
			13,224,582	**7,711,466**
Provision for doubtful receivables	-	-	1,752,313	
(a)	**-**	**-**	**11,472,269**	**7,711,466**
Other receivables				
Unsecured, considered good	-	-	31,755,365	46,650,246
Doubtful	-	-	1,541,375	
	-	**-**	**33,296,740**	**46,650,246**
Provision for doubtful receivables	-	-	1,541,375	-
(b)	**-**	**-**	**31,755,365**	**46,650,246**
Total (a + b)	**-**	**-**	**43,227,634**	**54,361,712**

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Notes to Financial statements for the year ended 31 March 2018

14. Other assets

	Non-Current		Current	
	31 March 2018 Amount in (Rs.)	31 March 2017 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Note15)	289,000,000	102,800,000	-	-
	289,000,000	**102,800,000**	**-**	**-**
Others				
Interest accrued on fixed deposits	-	-	17,241,087	92,903,596
Due from the holding company (Axis Bank)	-	-	6,706,649	5,497,326
	-	**-**	**23,947,736**	**98,400,922**
	289,000,000	**102,800,000**	**23,947,736**	**98,400,922**

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Notes to Financial statements for the year ended 31 March 2018

15. Cash and bank balances

	Non-current		Current	
	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Cash and cash equivalents				
– On current accounts	-	-	13,723,900	13,138,791
	-	-	**13,723,900**	**13,138,791**
Other bank balances				
– Deposits with remaining maturity for more than 12 months	289,000,000	102,800,000	-	-
-- Deposits with remaining maturity for less than 12 months	-	-	252,922,150	359,618,640
	289,000,000	**102,800,000**	**252,922,150**	**359,618,640**
Amount disclosed under non-current assets (Note 14)	**(289,000,000)**	**(102,800,000)**	-	-
	-	-	**266,646,050**	**372,757,431**

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Notes to Financial statements for the year ended 31 March 2018

16. Revenue from operations

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Revenue from operations		
Rendering of services	342,418,705	319,226,197
Revenue from operations	**342,418,705**	**319,226,197**
Detail of services rendered		
Initial acceptance fees	71,187,711	63,323,374
Annual fees	230,454,163	216,809,430
Servicing fees	40,776,831	39,093,393
	342,418,705	**319,226,197**

17. Other income

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Interest income on bank deposits	34,221,640	36,376,576
Profit on sale of mutual fund	626,236	6,014,894
Recovery of Doubtful Debts	6,613,137	500,000
	41,461,013	**42,891,470**

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18. Employee benefit expense

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Salaries, wages and bonus (including amount paid to employees on deputation)	59,899,808	61,930,756
Contribution to provident and other funds	1,363,065	840,967
Gratuity expense (Refer Note 22)	405,423	447,225
Staff welfare expenses	691,110	511,265
	62,359,406	**63,730,213**

Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2018

19. Other expenses

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Power and fuel	737,985	716,525
Rent	6,633,120	7,558,386
Rates and taxes	494,848	602,867
Advertising and business promotion	-	58,971
Travelling and conveyance	1,576,286	1,076,398
Conference Expenses	1,741,784	1,618,621
Communication expenses	876,927	525,145
Printing and stationery	33,395	60,295
Professional & legal fees	4,068,172	3,566,681
Directors' sitting fees	220,000	200,000
Bank charges	5,721	927
DP charges	900	900
Registration fees	216,138	26,866
Payment to auditor (Refer details below)	1,163,673	1,204,668
Bad debts written off	2,048,769	5,032,618
Provision for Doubtful Debts	3,293,688	-
Annual Mantainence Charges	1,716,840	271,020
Referral fees	54,000	877,500
CSR expenditure (Refer details below)	5,252,365	4,994,220
Office expenses	3,851,224	2,985,757
	33,985,835	**31,328,365**

Details of CSR Expenditure

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Gross amount required to be spent by the group during the year		
Amount spent in cash during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	5,252,365	4,994,220
	5,252,365	**4,994,220**

Payment to auditor

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
As auditor:		
Audit fee	1,150,000	1,150,000
In other capacity:		
Other services (certification fees)	-	30,000
Reimbursement of expenses	13,673	24,668
	1,163,673	**1,204,668**

20. Depreciation and amortization expense

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Depreciation of Property, plant and equipment assets	814,153	865,357
Amortization of intangible assets	1,887,790	1,281,598
	2,701,943	**2,146,955**

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21. Earnings per share (EPS)

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

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Total operations for the year		
Profit after tax	201,950,898	172,367,143
Net profit for calculation of basic EPS	**201,950,898**	**172,367,143**
Net profit as above	201,950,898	172,367,143
Net profit for calculation of diluted EPS	**201,950,898**	**172,367,143**
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.134.63	Rs. 114.91
Diluted earnings per share	Rs.134.63	Rs. 114.91

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22. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Net employees benefit expense (recognised in Employee Cost):

Particulars	Gratuity	
	31 March 2018	31 March 2017
Current service cost	326,441	200,752
Net Interest cost	65,720	37,800
Net Actuarial (gains) / losses	10,882	208,673
Past Services cost-Vested Benefit Recognized during the period	2,380	-
Net Expenses recognized in the statement of profit or loss	405,423	447,225

Balance Sheet

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

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

Particulars	Gratuity	
	31 March 2018	31 March 2017
Opening defined benefit obligation	959,423	512,198
Net Interest cost	65,720	37,800
Current service cost	326,441	200,752
Past Services cost-Vested Benefit Recognized during the period	2,380	-
Benefits paid	(26,550)	-
Actuarial (gains) / losses on obligation- due to change in Demographic assumptions	-	299,632
Actuarial (gains) / losses on obligation- due to change in financial assumptions	(33,856)	(249,672)
Actuarial (gains) / losses on obligation – due to experience	44,738	158,713
Present Value of Benefit Obligation at the end of the period	1,338,296	959,423

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

Particulars	31 March 2018	31 March 2017
Discount rate	7.35%	6.85%
Increment rate	10%	10%
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.

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Amounts for the current and previous 3 periods are as follows

	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Defined benefit obligation	1,338,296	959,423	512,198	459,212
Fair value of plan assets	-	-	-	-
Unrecognised past service cost	-	-	-	-
Net (Liability)/Asset Recognised in the Balance Sheet	(1,338,296)	(959,423)	(512,198)	(459,212)

23. Operating Lease : Company as Lessee

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

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

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
Less than one year	1,658,280	1,658,280

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Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2018

24. Related party disclosures

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

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

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Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2018

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

Particulars	Holding Company Amount (Rs.)	Fellow Subsidiary Amount (Rs.)	Key Management Personnel Amount (Rs.)	Total Amount (Rs.)
Income				
Interest Income	34,221,640	-	-	34,221,640
	(36,376,576)	-	-	(36,376,576)
Servicing Fees	40,776,831	-	-	40,776,831
	(39,093,393)	-	-	(39,093,393)
Rendering of services (Axis Finance Limited)	-	268,033	-	268,033
	-	(268,933)	-	(268,933)
Rendering of services (Axis Capital Limited)	-	300,000	-	300,000
	-	-	-	-
Rendering of services (Axis Asset Management Co. Limited)	-	200,000	-	200,000
	-	-	-	-
Rendering of services	-	-	-	-
	(569,505)	-	-	(569,505)
Expenses				
Rent Paid	6,633,120	-	-	6,633,120
	(7,558,386)	-	-	(7,558,386)
Reimbursement of Staff Cost	20,663,354	-	10,383,176*	31,046,530
	(25,483,694)	-	(8,840,248)	(34,323,942)
Other reimbursement of expenses	4,208,270	-	-	4,208,270
	(4,781,959)	-	-	(4,781,959)
Payment of Dividend	123,750,000	-	-	123,750,000
	(123,750,000)	-	-	(123,750,000)
Fees and Bank Charges paid to Axis Bank Ltd.	317,490	-	-	317,490

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AXIS TRUSTEE SERVICES LTD. MUMBAI

Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2018

Particulars	Holding Company Amount (Rs.)	Fellow Subsidiary Amount (Rs.)	Key Management Personnel Amount (Rs.)	Total Amount (Rs.)
	(719,882)	-	-	(719,882)
Balance Outstanding				
Fixed Deposits	541,922,150	-	-	541,922,150
	(462,418,640)	-	-	(462,418,640)
Balance in current account	13,711,678	-	-	13,711,678
	(13,120,548)	-	-	(13,120,548)
Share Capital	15,000,000	-	-	15,000,000
	(15,000,000)	-	-	(15,000,000)
Interest Receivable	17,241,087	-	-	17,241,087
	(92,903,595)	-	-	(92,903,595)
Reimbursement of Staff Cost payable	3,889,698	-	-	3,889,698
	(5,378,263)	-	-	(5,378,263)
Other reimbursement of expenses payable	971	-	-	971
	(1,265,178)	-	-	(1,265,178)
Servicing Fees receivable	6,462,992	-	-	6,462,992
	(6,762,501)	-	-	(6,762,501)
Income Received in Advance	15,178,823	481,967	-	15,660,790
	(13,873,866)	(481,067)	-	(14,357,933)
Other reimbursement of expenses payable	243,657	-	-	243,657
	-	-	-	-

* paid/ payable to Axis Bank Ltd.

Notes

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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Axis Trustee Services Limited

Notes to Financial statements for the year ended 31 March 2018

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

	31 March 2018 Amount (Rs.)	31 March 2017 Amount (Rs.)
The principal amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year	-	-

26. Capital and other commitments

As at 31 March 2018, the Company has capital commitments of Rs.1,500,000 relating to development of Business Software (Previous Year Rs. Nil)

27. Previous Year Figures

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

As per our report of even date

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

per Jitendra H. Ranawat
Partner
Membership No.: 103380
Place: Mumbai
Date: 13 April, 2018

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

M. Raghuraman
Managing Director & CEO
DIN No: 07397084

Place: Mumbai
Date: 13 April,2018

Sidharth Rath
Director
Din No: 00682901