

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Fifth Annual Report** of your Company together with the Audited Statement of Accounts for the financial year, April 1, 2013 to March 31, 2014. During the year the Company generated a net profit of Rs. 1,56,055/- (net of tax).

FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2014 is given below:

Particulars	Amount (Rs. In Lakhs)	
	Financial Year Ended 31.03.2014	Financial Year Ended 31.03.2013
Gross Income	18.23	13.53
Expenses	15.59	13.13
Profit/(Loss) before Tax	2.64	0.40
Provision for Taxation	0.89	0.07
Profit/(Loss) after Tax	1.56	0.33
Profit available for appropriation	1.56	0.33
APPROPRIATIONS		
Transfer to General Reserve	-	-
Transfer to Contingency Reserve	-	-
Balance after appropriations	-	-
Balance Profit /(Loss) Carried Forward	8.10	6.54

The issued share capital of the Company as at March 31, 2014, was Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10/- each.

Your Directors are pleased to inform that Axis Bank Limited continues to be the sponsor/promoter of the Mutual Fund holding 75% (less one share) of the total issued and paid up equity share capital. Schroder Singapore Holdings Private Limited (SSHPL) continues to hold 25% (plus one share) of the total issued and paid up equity share capital.

During the FY 2013 -14 there was a change in nominee shareholding, where 10 shares held by Mr. Gopalakrishnan were transferred to Mr. Rajiv Anand. The Beneficial shareholding retains with Axis Bank limited.

DIVIDENDS

Your Directors have not recommended for payment of dividend for the year ended March 31, 2014.

OPERATIONS (HIGHLIGHTS OF THE PERFORMANCE)

Axis Mutual Fund maintained its strong growth path and achieved a new peak AUM this year. It continued to focus on facilitating the introduction of retail investors through a combination of risk managed products and easy to use services. This is borne by the fact that the investor base grew to 572,192. A key feature of this growth was that the mutual fund managed to add over 62,000 investors in the retail oriented Hybrid and Capital Protection series funds. KYC formalities were completed for over 53,000 investors. On the service front major enhancements were introduced like the following

1. Introduction of iSIP wherein investors could register their Systematic Investment Plan (SIP) investments through our website www.axismf.com
2. Online Systematic Withdrawal Plan (SWP) and Systematic Transfer Plan (STP) thus enabling investor to redeem and transfer from existing schemes at a pre- defined amount into another scheme
3. Quick Invest wherein investors can transact without login ID and Password
4. Auto SMS on complaint capture and resolution, reference number generation were made to our complaint management software thus ensuring greater transparency and faster turnaround times.

The Easy Call infrastructure was upgraded to service the increasing number of retail investors. Axis Mutual Fund continued to invest its branch infrastructure with 5 more dedicated branches getting added this year, thus maintaining its presence in over 78 cities.

Details of products/schemes launched and allotted during the year 2013-2014

Sr. No.	Name of the scheme	Type of the scheme	Allotment date	Amount collected during NFO
1	Axis Hybrid Fund - Series 5	Close Ended	25-Jul-13	Rs.284.08 Crores
2	Axis Hybrid Fund - Series 6	Close Ended	16-Aug-13	Rs.244.53 Crores
3	Axis Fixed Term Plan – Series 36 (34 days)	Close Ended	14-Aug-13	Rs.466.75 Crores
4	Axis Hybrid Fund - Series 7	Close Ended	05-Sep-13	Rs.237.55 Crores
5	Axis Fixed Term Plan – Series 38 (92 days)	Close Ended	12-Sep-13	Rs.84.68 Crores
6	Axis Fixed Term Plan - Series 39 (31 days)	Close Ended	17-Sep-13	Rs.220.64 Crores
7	Axis Fixed Term Plan – Series 40 (91 days)	Close Ended	26-Sep-13	Rs.20.40 Crores
8	Axis Fixed Term Plan – Series 41 (546 days)	Close Ended	09-Oct-13	Rs. 49.51 Crores
9	Axis Fixed Term Plan – Series 42 (552 days)	Close Ended	30-Oct-13	Rs.32.45 Crores
10	Axis Small Cap Fund	Close Ended	29-Nov-13	Rs.164.29 Crores
11	Axis Fixed Term Plan – Series 43 (511 days)	Close Ended	10-Dec-13	Rs.53.02 Crores
12	Axis Fixed Term Plan - Series 44 (91 days)	Close Ended	12-Dec-13	Rs.21.83 Crores
13	Axis Fixed Term Plan – Series 47 (483 days)	Close Ended	15-Jan-14	Rs.141.24 Crores
14	Axis Fixed Term Plan – Series 48 (3 Years)	Close Ended	17-Jan-14	Rs.26.30 Crores
15	Axis Hybrid Fund - Series 8 (1279 Days)	Close Ended	24-Jan-14	Rs.320.43 Crores
16	Axis Hybrid Fund - Series 9 (1282 Days)	Close Ended	13-Feb-14	Rs.281.17 Crores
17	Axis Fixed Term Plan – Series 49 (437) Days	Close Ended	03-Feb-14	Rs.192.45 Crores
18	Axis Fixed Term Plan – Series 50 (3 Months)	Close Ended	30-Jan-14	Rs.20.64 Crores
19	Axis Fixed Term Plan – Series 52 (428 Days)	Close Ended	13-Feb-14	Rs.85.54 Crores

20	Axis Fixed Term Plan – Series 53 (1150 Days)	Close Ended	12-Feb-14	Rs.26.89 Crores
21	Axis Yearly Interval Fund - Series 1 (367 Days)	Interval	17-Feb-14	Rs.22.03 Crores
22	Axis Fixed Term Plan – Series 55 (399 Days)	Close Ended	28-Feb-14	Rs.425.64 Crores
23	Axis Fixed Term Plan – Series 56 (370 Days)	Close Ended	05-Mar-14	Rs.61.44 Crores
24	Axis Fixed Term Plan – Series 57 (397 Days)	Close Ended	06-Mar-14	Rs.29.38 Crores
25	Axis Fixed Term Plan – Series 59 (391 Days)	Close Ended	12-Mar-14	Rs.103.20 Crores
26	Axis Fixed Term Plan – Series 60 (389 Days)	Close Ended	14-Mar-14	Rs.178.64 Crores
27	Axis Fixed Term Plan – Series 61 (1122 Days)	Close Ended	20-Mar-14	Rs.21.17 Crores
28	Axis Fixed Term Plan – Series 62 (383 Days)	Close Ended	20-Mar-14	Rs.41.51 Crores
29	Axis Fixed Term Plan – Series 63 (91 Days)	Close Ended	21-Mar-14	Rs.20.44 Crores

Performance of the schemes of Axis Mutual Fund as on March 31, 2014 – Attached as Annexure 1

DIRECTORS

Mr. Gopalakrishnan, Director of Axis Bank Limited resigned w.e.f. August 6, 2013 and Mr. Bapi Munshi was appointed as an additional Director of Axis Mutual Fund Trustee Limited w.e.f. September 27, 2013.

In accordance with the provision of the Companies Act, 2013, and other applicable laws and the Articles of Association of the Company, Mr. Uday Chitale and Mr. Vittaldas Leeladhar retire by rotation at the ensuing Annual General Meeting, and are eligible for re-appointment.

PUBLIC DEPOSITS

During the period under review, the Company has not accepted any deposits from the public.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Also, requirements of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 pertaining to Conservation of Energy and Technology absorption are also not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

COMMITTEES OF THE BOARD OF DIRECTORS AND MANAGEMENT OF THE ASSET MANAGEMENT COMPANY

To enable better and more focused attention on the affairs of the Company and the mutual fund activity, the Board of Directors has constituted Committees of the Board namely Audit

Committee and of the management of the asset management company namely Risk Management Committee, Investment Review Committee, Valuation Committee, Dividend Distribution Committee to which specific matters have been delegated by the Board of Directors.

CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

In line with the provisions of Section 292A of the Companies Act, 1956, and other applicable laws an Audit Committee of the Board of Directors of the Company was constituted by the Board of Directors of your company.

As on March 31, 2014, the Audit Committee consists of the following Directors:

Mr. Uday M. Chitale
Dr. T.C. Nair
Mr. Kedar Desai
Mr. Bapi Munshi
Mr. Murray Coble

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

AUDITORS

The Auditors, M/s S. R. Batliboi & Co. LLP (erstwhile known as M/s S. R. Batliboi & Co.), Chartered Accountants having firm registration number 301003E retire at the ensuing Annual General Meeting and are eligible for re-appointment, subject to the approval of the members. As recommended by the Audit Committee, the Board has proposed the re-appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors to hold the office from the conclusion of this meeting to the conclusion of the 10th Annual General Meeting of the company. The shareholders are requested to consider their appointment.

EMPLOYEES

The Company has no employees on its rolls. The provisions of Section 217 (2A) of the Companies Act, 1956, are therefore, not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed. No material departures have been made during the financial year under review;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors places on record its gratitude to the Securities and Exchange Board of India, Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks, distributor partners for their strong support and guidance.

for and on behalf of the Board of Directors



Director



Director

Place: Mumbai

Date: April 11 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Mutual Fund Trustee Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Mutual Fund Trustee Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014, and 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

Management is responsible for 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

S.R. BATLIBOI & Co. LLP

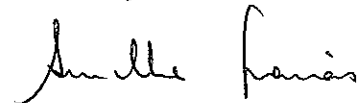
Chartered Accountants

Axis Mutual Fund Trustee Limited
Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013; and
 - (e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Registration Number: 301003E



per Surekha Gracias
Partner
Membership Number: 105488
Place: Mumbai
Date: 11 April 2014

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

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

- (i) The Company did not have any fixed assets during the year, accordingly provisions of clause 4 (i) related to fixed assets are not applicable.
- (ii) The Company provides trusteeship services to Axis Mutual Fund; therefore, provisions of clause 4(ii) of Companies (Auditor's Report) Order, 2003 (as amended) related to inventory are not applicable.
- (iii) According to the information and explanations provided by the management, the Company has not granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of this area.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the services provided by the Company.
- (ix)
 - (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities *except for delay in profession tax amounting to Rs. 12,500 pertaining to financial years 2008-09 to 2012-13 which has since been deposited in full during the year under review.*
 - (b) There are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.
 - (c) There are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

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S.R. BATLIBOI & CO. LLP

Chartered Accountants

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

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

- (xi) Based on our examination of documents and records, the Company has not taken any loans from financial institutions or banks or issued debentures.
- (xii) Based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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



per Surekha Gracias
Partner
Membership No.: 105488

Place: Mumbai
Date: 11 April 2014

AXIS MUTUAL FUND TRUSTEE LIMITED

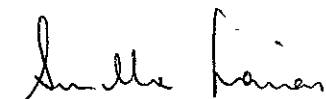
Balance sheet as at March 31, 2014

	Notes	March 31, 2014 ₹	March 31, 2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	910,235	754,180
		<u>1,410,235</u>	<u>1,254,180</u>
Current liabilities			
(a) Other current liabilities	5	315,761	208,655
		<u>315,761</u>	<u>208,655</u>
TOTAL		<u><u>1,725,996</u></u>	<u><u>1,462,835</u></u>
ASSETS			
Non-current assets			
(a) Non current investments	6	600,000	600,000
(b) Other loans and advances	10	238,689	154,013
(c) Deferred tax assets (net)	18	-	1,545
		<u>838,689</u>	<u>755,558</u>
Current assets			
(a) Current investments	7	592,335	521,000
(b) Trade receivables	8	153,540	101,124
(c) Cash and cash equivalents	9	46,650	30,637
(d) Other loans and advances	10	94,782	54,516
		<u>887,307</u>	<u>707,277</u>
TOTAL		<u><u>1,725,996</u></u>	<u><u>1,462,835</u></u>
Summary of significant accounting policies	2.1		

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

As per our report of even date

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




per Surekha Gracias

Partner

Membership No.105488



For and on behalf of the Board of Directors



Director

Director



Place: Mumbai

Date: April 11, 2014

AXIS MUTUAL FUND TRUSTEE LIMITED

Statement of profit and loss for the year ended March 31, 2014

	Notes	March 31, 2014 ₹	March 31, 2013 ₹
Income			
Revenue from operations			
Trusteeship fee		1,800,000	1,200,000
Other income			
Profit on sale of current investments		21,335	153,087
Interest on Income-tax refund		1,967	-
Total revenue		1,823,302	1,353,087
Expenses:			
Administrative and Other Expenses	11	1,559,341	1,313,003
Total expenses		1,559,341	1,313,003
Profit before tax		263,961	40,084
Prior period expenses (Refer Note 17)		18,514	-
Profit before tax and after prior period expenses		245,447	40,084
Tax expense:			
(1) Current tax		87,000	7,700
(2) Deferred tax charge / (benefit)		1,545	(594)
(3) Short provision of income-tax of earlier years provided		847	-
		89,392	7,106
Profit for the year after tax		156,055	32,978
Basic and diluted earnings per equity share [nominal value of share ₹10 (March 31, 2013 : ₹10)]		3.12	0.66
Summary of significant accounting policies	2.1		

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

As per our report of even date.

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



per Surekha Gracias
Partner
Membership No.105488



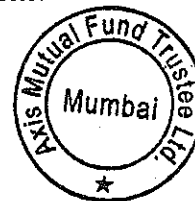
Place: Mumbai
Date: April 11, 2014

For and on behalf of the Board of Directors



Director

Director



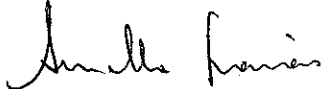
AXIS MUTUAL FUND TRUSTEE LIMITED

Cash Flow statement for the year ended March 31, 2014

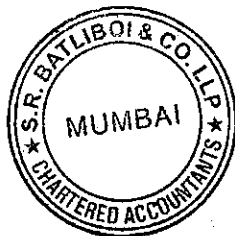
	March 31, 2014	March 31, 2013
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and before prior period expenses	263,961	40,084
Profit on Sale of current Investment	(21,335)	(153,087)
Interest on income tax refund	(1,967)	-
Operating profit before working capital changes	240,659	(113,003)
(Increase)/ Decrease in other Loans and Advances	(40,266)	(35,552)
(Increase)/ Decrease in Trade Receivables	(52,416)	(31,854)
Increase/ (Decrease) in Current Liabilities	107,106	21,571
Cash generated from operations	255,083	(158,838)
Income Tax Paid (Including TDS)	(198,547)	(134,832)
Income tax refund received (including interest on income tax refund)	27,991	-
Net cash from operating activities before prior period expenses	84,527	(293,670)
Prior period expenses	(18,514)	-
Net cash from operating activities after prior period expenses	66,013	(293,670)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(945,000)	(2,947,743)
Proceeds from Sale of Investments	895,000	3,211,790
Net cash from/ (used in) investing activities	(50,000)	264,047
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net (Decrease)/ Increase in cash and cash equivalents	16,013	(29,623)
Cash and cash equivalents at the beginning of the Year	30,637	60,260
Cash and cash equivalents at the end of the Year	46,650	30,637

As per our report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants



per Surekha Gracias
Partner
Membership No.105488



For and on behalf of the Board of Directors

Director

Director



Place: Mumbai
Date: April 11, 2014

Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2014

1. Corporate information

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

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

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

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

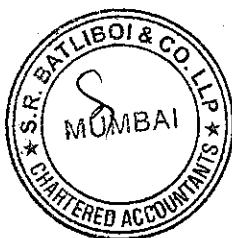
b. Investments

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

c. Revenue recognition

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

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



Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2014

d. Taxes on income

Tax expense comprises current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

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

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

e. Earnings per share

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

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

f. Cash and cash equivalents

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

g. Provisions

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

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

h. Preliminary Expenditure

The preliminary expenses incurred towards incorporation of the Company have been written off in the first year of operations.

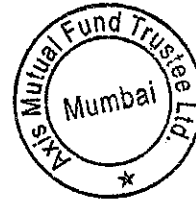


Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2014

i. Contingent Liabilities

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



AXIS MUTUAL FUND TRUSTEE LIMITED

Notes to financial statements for the year ended March 31, 2014

3. Share capital

Particulars	March 31, 2014 ₹	March 31, 2013 ₹
Authorised shares 100,000 (March 31, 2013 : 100,000) Equity Shares of ₹10 each	1,000,000	1,000,000
Issued, subscribed and fully paid up shares 50,000 (March 31, 2013 : 50,000) Equity Shares of ₹10 each	500,000	500,000
Total Issued, subscribed and fully paid up shares	500,000	500,000

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

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	₹	No. of shares	₹
Equity shares				
At the beginning of the year	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

b. Terms /rights attached to equity shares

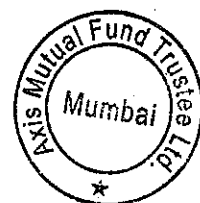
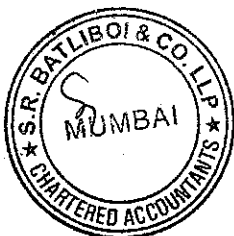
The company has only one class of shares referred to as equity shares having par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

The company has not declared any dividends during the year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distributions of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

Name of the shareholders	March 31, 2014		March 31, 2013	
	₹	% holding in the class	₹	% holding in the class
Axis Bank limited and its nominees, the holding company hold 37,499 (March 31, 2013 : 37,499) Equity shares of ₹10 each fully paid	374,990	75%	374,990	75%
Schroder Singapore Holdings Private Limited 12,501 (March 31, 2013 : 12,501) Equity Shares of ₹10 each fully paid	125,010	25%	125,010	25%

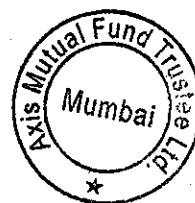


4. Reserves and surplus

Particulars	March 31, 2014 ₹	March 31, 2013 ₹
Capital Fund (Refer Note 16)	100,000	100,000
Surplus in statement of profit and loss		
Balance as per last financial statements	654,180	621,202
Add: Profit for the year	156,055	32,978
Closing balance	810,235	654,180
Total reserves and surplus	910,235	754,180

5. Other current liabilities

Particulars	March 31, 2014 ₹	March 31, 2013 ₹
Accrued expenses (Refer Note 14)	275,093	180,992
Statutory Dues payable	40,668	27,663
Total other current liabilities	315,761	208,655



AXIS MUTUAL FUND TRUSTEE LIMITED

Notes to financial statements for the year ended March 31, 2014

6. Non-current investments

Investments in mutual funds	March 31, 2014 ₹	March 31, 2013 ₹
99.513 Units (Previous year 99.513 units) of ₹1,000 each in Axis Treasury Advantage Fund - Retail Growth *	100,000	100,000
384.981 Units (Previous year 384.981 units) of ₹1,000 each in Axis Liquid Fund - Direct Growth Plan	500,000	500,000
Total investments	600,000	600,000
Market value (Net Assets Value)	683,822	625,883

Above investments are unquoted.

Non current investments are valued at cost.

*These investments are earmarked towards capital fund (Refer note 4 and 16).

7. Current investments

Investments in mutual funds	March 31, 2014 ₹	March 31, 2013 ₹
433.103 Units (Previous year 401.150 units) of ₹1,000 each in Axis Liquid Fund - Direct Growth Plan	592,335	521,000
Total investments	592,335	521,000
Market value (Net Assets Value)	615,976	521,561

Above investments are unquoted.

Current investment are valued at cost or market value, whichever is lower.



AXIS MUTUAL FUND TRUSTEE LIMITED

Notes to financial statements for the year ended March 31, 2014

8. Trade receivables

Particulars	March 31, 2014 ₹	March 31, 2013 ₹
Unsecured, considered good and outstanding for less than six months - Trusteeship fee receivable*	153,540	101,124

* Represents amounts due from Axis Mutual Fund (the Company acts as a trustee to the Fund), where the investment manager is a fellow subsidiary

9. Cash and cash equivalents

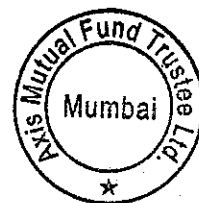
Particulars	March 31, 2014 ₹	March 31, 2013 ₹
Balances with bank in current account (Scheduled bank)	46,650	30,637
	<u>46,650</u>	<u>30,637</u>

10. Other loans and advances

Particulars	Non Current		Current	
	March 31, 2014 ₹	March 31, 2013 ₹	March 31, 2014 ₹	March 31, 2013 ₹
Advance tax and tax deducted at source (net of provision for tax)	238,689	154,013	-	-
Advance recoverable in cash or in kind for value to be received				
- Service tax input credit on accrued expenses	-	-	94,782	54,516
	<u>238,689</u>	<u>154,013</u>	<u>94,782</u>	<u>54,516</u>

11. Administrative and other Expenses

Particulars	March 31, 2014 ₹	March 31, 2013 ₹
Legal and professional fees	439,142	339,557
Printing and stationery	4,463	4,200
Payment to auditors		
- Audit fee	50,000	25,000
Directors sitting fees	1,040,000	940,000
Communication Expenses	-	4,025
Miscellaneous expenses	13,876	221
Service Tax Expenses	11,860	-
	<u>1,559,341</u>	<u>1,313,003</u>



Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2014

12. Earnings Per Share ('EPS')

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

Particulars	March 31, 2014	March 31, 2013
(a) Nominal value of equity share (₹)	10	10
(b) Net profit available to equity shareholders (₹)	156,055	32,978
(c) Weighted average number of equity shares outstanding	50,000	50,000
(d) Basic and Diluted EPS (₹) = (b) / (c)	3.12	0.66

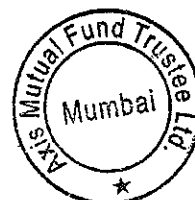
The Company has not issued any potential equity shares and, accordingly, the basic EPS and diluted EPS are the same.

13. Related Party Disclosure

- Related parties where control exists
Axis Bank Limited – Holding Company
- Other related parties with whom transactions have taken place during the year
Axis Asset Management Company Limited – Fellow Subsidiary
Axis Mutual Fund – Trustee to the Fund, and whose investment manager is a fellow subsidiary

The nature and volume of transactions of the Company with the above related parties for the year ended March 31, 2014 were as follows:

Particulars	(Amount ₹)					
	Axis Bank Limited		Axis Asset Management Company Limited		Axis Mutual Fund	
	For the year ended		For the year ended		For the year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Trusteeship fees (excluding service tax)	-	-	-	-	1,800,000	1,200,000
Investment in Schemes of Mutual Fund						
- Purchased during the year	-	-	-	-	945,000	2,947,743
- Sold during the year	-	-	-	-	895,000	3,211,790
Reimbursement of administrative cost paid	-	-	15,839	10,349	-	-



Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2014

Details of outstanding balance at March 31, 2014

(Amount ₹)

Particulars	Axis Bank Limited		Axis Asset Management Company Limited		Axis Mutual Fund	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Current account balance with Axis Bank	46,650	30,637	-	-	-	-
Trusteeship fees receivable	-	-	-	-	153,540	101,124
Investment in Schemes of Mutual Fund	-	-	-	-	1,192,335	1,121,000
Reimbursement of administrative cost payable	-	-	-	4,025	-	-
Equity share capital	374,990	374,990	-	-	-	-
Sponsor's contribution	100,000	100,000	-	-	-	-

14. Dues to Micro Small and Medium Enterprises

Other current liabilities do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA).

15. Segment reporting

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

16. Capital fund

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

17. Profession tax paid for the period 2008-09 to 2012-13 in current year have been disclosed under prior period expense.



Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2014

18. Deferred tax assets

The components of deferred tax assets are as under

Particulars	March 31, 2014	March 31, 2013
Deferred Tax Assets/ (Liabilities) on account of		
Preliminary expenses	Nil	1,545
Net Deferred Tax Assets/ (Liabilities)	Nil	1,545

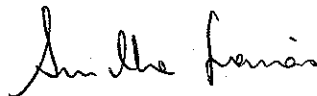
19. Contingent liabilities and capital commitments are Nil (March 31, 2013 : Nil)

20. Prior period comparatives

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

As per our report of even date.


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

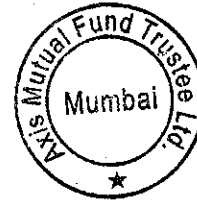

per Surekha Gracias
Partner
Membership No.105488



For and on behalf of the Board of Directors


Director


Director



Place: Mumbai
Date: April 11, 2014

AXIS MUTUAL FUND TRUSTEE LIMITED

Additional Information as required under Part IV of Schedule of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a) Registration Details		b) Capital raised during the year (Amount in ₹000)	
Registration Number	U66020MH2009PLC189325	Public Issue	Nil
State Code	11	Rights Issue	Nil
Balance Sheet Date	March 31, 2014	Bonus Issue	Nil
		Private Placement	Nil
c) Position of Mobilisation and Deployment of Funds (Amount in ₹000)			
Total Liabilities			1,726
Total Assets			1,726
Equity and liabilities			
Shareholders' Fund			
Paid-up Capital			500
Reserves & Surplus			910
Current liabilities			
Other current liabilities			316
Assets			
Non-current assets			
Non current investments			600
Other loans and advances			239
Defferred Tax (net)			-
Current assets			
Current investments			592
Trade receivables			154
Cash and cash equivalents			47
Other loans and advances			95
d) Performance of Company (Amount in ₹000)			
Total Income			1,823
Total Expenditure			1,559
Profit before tax			264
Profit after tax			156
Earnings per Share (Non-annualised) in ₹			3.12
Dividend Rate (%)			Nil

e) Generic Names of Three Principal Products/Services of Co. (as per Monetary terms)

Item Code No (ITC Code)	N.A.
Product Description	TRUSTEE SERVICES

For and on behalf of the Board of Directors



Director

Director

Mumbai, April 11, 2014

