

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Eighth Annual Report** of your Company together with the Audited Financial Statements for the financial year April 1, 2016 to March 31, 2017. During the year the Company registered a net profit of Rs. 5,04,321/-.

### FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2017 is given below:

| Particulars                            | Amount (Rs. in Lakhs)              |                                    |
|--|------------------------------------|------------------------------------|
|  | Financial Year Ended<br>31.03.2017 | Financial Year Ended<br>31.03.2016 |
| Gross Income                           | 36.92                              | 36.75                              |
| Expenses                               | 29.62                              | 31.64                              |
| <b>Profit/(Loss) before Tax</b>        | 7.30                               | 5.11                               |
| Provision for Taxation                 | 2.26                               | 1.60                               |
| <b>Profit/(Loss) after Tax</b>         | 5.04                               | 3.51                               |
| Profit available for appropriation     |                                    | 3.51                               |
| <b>APPROPRIATIONS</b>                  |                                    |                                    |
| Transfer to General Reserve            | -                                  | -                                  |
| Transfer to Contingency Reserve        | -                                  | -                                  |
| Balance after appropriations           |                                    | -                                  |
| Balance Profit /(Loss) Carried Forward | 22.09                              | 17.05                              |

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

There was no capital infusion during the financial year 2016 - 17.

The issued share capital of the Company as at March 31, 2017, was Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10/- each.

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

### DIVIDENDS

Your Directors have not recommended payment of dividend for the year ended March 31, 2017.

### AMOUNT CARRIED TO RESERVES

No amount is proposed to be transferred to reserves.

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

There were no such changes /commitments.

## ISSUANCE OF DEBENTURES

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

## **STATE OF COMPANY'S AFFAIRS**

### MUTUAL FUND ACTIVITY

Axis Asset Management Company Limited (Axis AMC) had a very good financial year managing the assets of Axis Mutual Fund. The Mutual Fund industry continued on a strong growth trajectory and achieved a new peak AUM. Within the industry, Axis was able to grow faster and increase its market share over the year. Axis MF witnessed strong inflows in its schemes across product categories and asset classes. Simultaneously Axis AMC has continued growing its investor base as evidenced by the number of active accounts and registered systematic investment plans – both of which have reached a new record this year. The AMC is continuing work towards broadening its product basket and is hopeful of launching a number of new products going forward. Following is a summary of the major product highlights/ initiatives:

1. Fixed Income funds: On the back of easy liquidity and the search for stable debt options, Axis Short Term Fund and Axis Fixed Income Opportunities Fund saw strong flows from both retail and institutional investors.
2. Axis Emerging Opportunities Fund: Axis AMC launched 2 tranches of close ended equity funds during the year.
3. Axis Liquid Fund: It has become one of the leading liquid funds in the industry and crossed 20,000 Cr in Aum during the course of the year.
4. Offshore: Axis received its first large offshore institutional equity mandate in 2016-17.

### Details of products/schemes launched and allotted during the year 2016-2017

| Sr. No. | Name of the scheme                                      | Type of the scheme        | Allotment date | Amount collected during NFO (In Rs. Crores) |
|---------|---|---------------------------|----------------|---|
| 1       | Axis Hybrid Fund – Series 31 (1381 Days)                | Close ended Debt Scheme   | 19-Jul-16      | Rs. 227.88                                  |
| 2       | Axis Hybrid Fund – Series 32 (1367 Days)                | Close ended Debt Scheme   | 09-Aug-16      | Rs. 338.25                                  |
| 3       | Axis Hybrid Fund - Series 33 (1358 Days)                | Close ended Debt Scheme   | 09-Sep-16      | Rs. 330.97                                  |
| 4       | Axis Hybrid Fund Series 35 (1359 days)                  | Close ended Debt Scheme   | 01-Dec-16      | Rs. 174.66                                  |
| 5       | Axis Emerging Opportunities Fund – Series 1 (1400 Days) | Close Ended Equity Scheme | 29-Dec-16      | Rs. 481.10                                  |
| 6       | Axis Emerging Opportunities Fund – Series 2 (1400 Days) | Close Ended Equity Scheme | 27-Feb-17      | Rs. 1,061.33                                |

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

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

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

## RELATED PARTY TRANSACTIONS

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

## DIRECTORS

During the year there was no new appointment or resignation of Director(s).

In accordance with the provision of the Companies Act, 2013, and other applicable laws and the Articles of Association of the Company, Mr. Uday Chitale (DIN: 00043268) and Mr. Vittaldas Leeladhar (DIN: 02630276) retire by rotation at the ensuing Annual General Meeting, and are eligible for re-appointment.

## PUBLIC DEPOSITS

During the financial year ended March 31, 2017, the company has not accepted any deposit from the members or public under the provisions of sec. 73 to 76 of the Companies Act, 2013. The Company has not accepted any funds from the Directors of the Company during the financial year under review.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

## FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the year, 6 Meetings of the Board of Directors of the company were conducted on April 19, 2016, July 13, 2016, September 20, 2016, October 25, 2016, January 25, 2017 and March 15, 2017. The status of attendance of Directors at the Board Meetings is as follows:

| Name                                       | Designation | Director's Identification Number (DIN) | Meetings Attended |
|--|-------------|--|-------------------|
| Dr. Chandran Thumpampil Nair               | Chairman    | 02689698                               | 6                 |
| Mr. Bapi Munshi                            | Director    | 02470242                               | 6                 |
| Mr. Kedar Jagdish Desai                    | Director    | 00322581                               | 6                 |
| Mr. Murray Alan Coble                      | Director    | 02077837                               | 4                 |
| Mr. Uday Madhav Chitale                    | Director    | 00043268                               | 6                 |
| Mr. Vittaldas Leeladhar                    | Director    | 02630276                               | 6                 |
| <b>Total Meetings held during the year</b> |             |  | <b>6</b>          |

## CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

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

As on March 31, 2017, the Audit Committee consisted of the following Directors:

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

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

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

During the Financial Year, 5 Audit Committee Meetings were held on April 19, 2016, July 13, 2016, September 20, 2016, October 25, 2016 and January 25, 2017. The status of attendance of the committee members at these committee meetings is as follows:

| Name of Members                            | Designation | No. of Audit Committee Meetings held |
|--|-------------|--------------------------------------|
| Mr. Uday M. Chitale                        | Director    | 5                                    |
| Mr. Bapi Munshi                            | Director    | 5                                    |
| Mr. Kedar Desai                            | Director    | 5                                    |
| Mr. Murray Coble                           | Director    | 3                                    |
| Dr. T.C. Nair                              | Director    | 5                                    |
| <b>Total Meetings held during the year</b> |             | <b>5</b>                             |

#### **RISK MANAGEMENT**

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

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

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

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

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

#### **STATUTORY AUDITORS**

The Auditors, M/s S. R. Batliboi & Co. LLP (erstwhile known as M/s S. R. Batliboi & Co.), Chartered Accountants, having firm registration number 301003E, were appointed for the period of 5 year in

the Annual General Meeting held in 2014. As recommended by the Audit Committee, the Board has appointed M/s S. R. Batliboi & Co. LLP as Statutory Auditors to hold the office till the conclusion of the 10<sup>th</sup> Annual General Meeting of the company. As per section 139(1) of Companies Act 2013, appointment of auditor's is subject to ratification by members of the Company in every annual general meeting. The shareholders are requested to ratify their appointment.

#### QUALIFICATION IN THE AUDITORS' REPORT

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

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

#### EMPLOYEES

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

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

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

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

Amount in rupees  
(units)

| Details of Investment          | Purpose                            | Opening               | Purchase              | Redemption            | Gain               | Closing                |
|--------------------------------|------------------------------------|-----------------------|-----------------------|-----------------------|--------------------|------------------------|
| Units of :<br>Axis Liquid fund | Parking of surplus working capital | 1728,575<br>(1078.99) | 180,4247<br>(1015.35) | 1,510,000<br>(867.75) | 82,803<br>(867.75) | 2,105,625<br>(1226.58) |
| Axis Liquid fund               | Non Current Investment             | 500,000<br>(384.98)   | 352,753<br>(211.26)   | -                     | -                  | 852,753<br>(596.25)    |
| Axis Treasury Advantage fund   | Non Current Investment             | 100,000<br>(99.513)   | -                     | -                     | -                  | 100,000<br>(99.513)    |

#### EXTRACT OF ANNUAL RETURN

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed. No material departures have been made during the financial year under review;

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

#### **ACKNOWLEDGEMENT**

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

for and on behalf of the Board of Directors

Director

DIN: 02470242

Director

DIN: 02689698

Place: Mumbai

Date: April 19, 2017

**Form No. AOC-2**

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

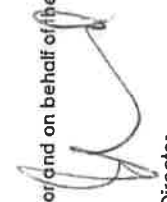
1. Details of contracts or arrangements or transactions not at arm's length basis:

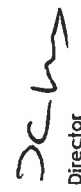
| Sr No | Name of the related party | Nature of relationship | Nature of the contract | Duration of the contract | Particulars of the contract or arrangement | Material terms of the contract or arrangement including the value, if any |
|-------|---------------------------|------------------------|------------------------|--------------------------|--|---|
| NIL   |                           |                        |                        |                          |  |   |

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

| Sr No | Name of the related party             | Nature of relationship        | Nature of the contract                   | Duration of the contract               | Particulars of the contract or arrangement  | Material terms of the contract or arrangement including the value, if any   |
|-------|---------------------------------------|-------------------------------|--|--|---|---|
| 1     | Axis Asset Management company Limited | Subsidiary of Holding Company | Reimbursement of Administrative expenses | Ongoing, effective till not terminated | Certain expenses are initially borne by AMC from a administrative convenience aspect and later on reimbursed by Trustee company | At Actuals ( However no transactions have been taken place during the year) |
| 2     | Independent Directors :               | Independent Directors         | Directors Sitting Fees                   | Ongoing, effective till not terminated | For every meeting attended the director is paid Rs 50,000/- per meeting attended.   | 50,000/- per meeting attended   |
|       | Kedar Desai                           |                               |  |  |   | 5,50,000  |
|       | Uday M. Chitale                       |                               |  |  |   | 5,50,000  |
|       | T.C.Nair                              |                               |  |  |   | 5,50,000  |
|       | Vittalidas Leeladhar                  |                               |  |  |   | 3,00,000  |

for and on behalf of the Board of Directors

  
Director

  
Director

DIN: 02470242      DIN: 02689698

Place: Mumbai  
Date: April 19, 2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2017

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

**I. Registration and other details:**

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

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

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

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

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

| S. NO | Name and Address of The company | CIN/GLN                   | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|-------|---------------------------------|---------------------------|--------------------------------|------------------|--------------------|
| 1     | Axis Bank Limited               | L65110GJ1993<br>PLC020769 | Holding                        | 75%              | 2(46)              |

**IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)**

- i) **Category-wise Share Holding**





|  |       |   |       |     |       |   |       |     |   |
|--|-------|---|-------|-----|-------|---|-------|-----|---|
| h) Foreign Venture Capital Funds   | -     | - | -     | -   | -     | - | -     | -   | - |
| i) Others (specify)  | -     | - | -     | -   | -     | - | -     | -   | - |
| <b>Sub-total (B)(1):-</b>  | -     | - | -     | -   | -     | - | -     | -   | - |
| <b>2.Non-Institutions</b>  |       |   |       |     |       |   |       |     |   |
| a) Bodies Corp.  |       |   |       |     |       |   |       |     |   |
| i) Indian  | -     | - | -     | -   | -     | - | -     | -   | - |
| ii) Overseas   | -     | - | -     | -   | -     | - | -     | -   | - |
| b) Individuals   |       |   |       |     |       |   |       |     |   |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | -     | - | -     | -   | -     | - | -     | -   | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | -     | - | -     | -   | -     | - | -     | -   | - |
| c) Others (specify)  | -     | - | -     | -   | -     | - | -     | -   | - |
| <b>Sub-total (B)(2):-</b>  |       |   |       |     |       |   |       |     |   |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | -     | - | -     | -   | -     | - | -     | -   | - |
| C. Shares held by Custodian for GDRs & ADRs                                      | -     | - | -     | -   | -     | - | -     | -   | - |
| Grand Total (A+B+C)  | 50000 | 0 | 50000 | 100 | 50000 | 0 | 50000 | 100 | 0 |

@ shares held by nominees of Axis Bank Limited.

**ii) Shareholding of Promoters**

| SI No | Shareholders' Name                          | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during |
|-------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|----------------------------------|
|       |   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                  |
| 1     | Axis Bank Ltd.                              | 37499                                     | 74.998                           | 0  | 37499                               | 74.998                           | 0  | 0                                |
| 2     | Schroder Singapore Holdings Private Limited | 12501                                     | 25.002                           | 0  | 12501                               | 25.002                           | 0  | 0                                |
|       | <b>Total</b>                                | <b>50000</b>                              | <b>100</b>                       | <b>0</b>   | <b>50000</b>                        | <b>100</b>                       | <b>0</b>   | <b>0</b>                         |

@ Out of 37499 shares held by Axis Bank Limited, 70 shares are held by nominees of Axis Bank Limited

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

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

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

**v) Shareholding of Directors and Key Managerial Personnel: Nil**

**V. Indebtedness**

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

**VI. Remuneration of directors and Key Managerial Personnel**

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

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager  | Total Amount (In Rs.) |
|---------|---|--|-----------------------|
| 1.      | Gross salary  | -  | -                     |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -  | -                     |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -  | -                     |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -  | -                     |
| 2.      | Stock Option  | -  | -                     |
| 3.      | Sweat Equity  | -  | -                     |
| 4.      | Commission - as % of profit -others, specify  | -  | -                     |
| 5.      | Others, please specify  | -  | -                     |
|         | Total (A)   | -  | -                     |
|         | Ceiling as per the Act  | As specified in section 197, 198 and Schedule V of Companies Act, 2013 and any other applicable rules, regulation of Companies Act, 2013 |                       |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration | Name of Directors |             |              |                      | Total Amount (in Rs.) |
|---------|-----------------------------|-------------------|-------------|--------------|----------------------|-----------------------|
|         |                             | T. C. Nair        | Kedar Desai | Uday Chitale | Vittaladas Leeladhar |                       |

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


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

#### VII. Penalties / Punishment/ Compounding of offences

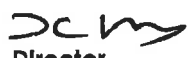
| Type              | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, If any (give Details) |
|-------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. Company</b> |                              |                   |   |                              |                                    |
| Penalty           | Nil                          |                   |   |                              |                                    |
| Punishment        |                              |                   |   |                              |                                    |
| Compounding       |                              |                   |   |                              |                                    |

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

for and on behalf of the Board of Directors



**Director**  
DIN: 02470242



**Director**  
DIN: 02689698

Place: Mumbai

Date: April 19, 2017

**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 March 31, 2017, 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 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, 2017, its profit, and its cash flows for the year ended on that date.

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

Chartered Accountants  
Axis Mutual Fund Trustee Limited  
Page 2 of 6

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 A" 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 as at March 31, 2017;
    - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2017 for which there were any material foreseeable losses; and
    - iii. As at March 31, 2017 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. As per books of accounts of the Company and represented by the management, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period and has not deposited any cash during the period.

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



per Jayesh Gandhi  
Partner  
Membership Number: 037924  
Place of Signature: Mumbai  
Date: April 19, 2017



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

Chartered Accountants

Axis Mutual Fund Trustee Limited

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

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

- (i) The Company did not have any fixed assets during the year, and accordingly provisions of clause 3(i) of the Order related to fixed assets are not applicable.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

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

Chartered Accountants

Axis Mutual Fund Trustee Limited

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- (xi) The Company did not had managerial personnel to whom managerial remuneration has been paid during the year, and accordingly provisions of clause 3(xi) of the Order related to managerial remuneration is not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, there were no related party transactions during the year, and accordingly provisions of clause 3(xiii) of the Order related to related party are not applicable.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: April 19, 2017

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

Chartered Accountants

Axis Mutual Fund Trustee Limited

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

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

To the Members of Axis Mutual Fund Trustee Limited

We have audited the internal financial controls over financial reporting of Axis Mutual Fund Trustee Limited ("the Company") as of March 31, 2017 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



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

Chartered Accountants

Axis Mutual Fund Trustee Limited

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reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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, 2017, 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



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**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: April 19, 2017

**AXIS MUTUAL FUND TRUSTEE LIMITED**

**Balance sheet as at March 31, 2017**

|  | Notes | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|--|-------|---------------------|---------------------|
| <b>EQUITY AND LIABILITIES</b>              |       |                     |                     |
| <b>Shareholders' funds</b>                 |       |                     |                     |
| (a) Share capital                          | 3     | 500,000             | 500,000             |
| (b) Reserves and surplus                   | 4     | 2,308,984           | 1,804,663           |
|  |       | <b>2,808,984</b>    | <b>2,304,663</b>    |
| <b>Current liabilities</b>                 |       |                     |                     |
| (a) Other current liabilities              | 5     | 787,787             | 710,649             |
|  |       | <b>787,787</b>      | <b>710,649</b>      |
| <b>TOTAL</b>                               |       | <b>3,596,771</b>    | <b>3,015,312</b>    |
| <b>ASSETS</b>                              |       |                     |                     |
| <b>Non-current assets</b>                  |       |                     |                     |
| (a) Non current investments                | 6     | 952,753             | 600,000             |
| (b) Deferred tax assets                    | 7     | 4,833               | -                   |
| (c) Other loans and advances               | 10    | 129,644             | 199,406             |
|  |       | <b>1,087,230</b>    | <b>799,406</b>      |
| <b>Current assets</b>                      |       |                     |                     |
| (a) Current investments                    | 8     | 2,105,625           | 1,728,575           |
| (b) Trade receivables                      | 9     | 255,000             | 313,500             |
| (c) Cash and cash equivalents              | 10    | 10,754              | 8,571               |
| (d) Other loans and advances               | 11    | 138,162             | 165,260             |
|  |       | <b>2,509,541</b>    | <b>2,215,906</b>    |
| <b>TOTAL</b>                               |       | <b>3,596,771</b>    | <b>3,015,312</b>    |
| Summary of significant accounting policies | 2.1   |                     |                     |

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

As per our report of even date

**For S.R.BATLIBOI & CO. LLP**

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



Per Jayesh Gandhi  
Partner

Membership No. 37924

Place: Mumbai

Date :-April 19, 2017



**For and on behalf of the Board of Directors**



Director  
DIN : 02689698




Director  
DIN : 00322581

Place: Mumbai

Date :-April 19, 2017

**AXIS MUTUAL FUND TRUSTEE LIMITED****Statement of profit and loss for the year ended March 31, 2017**

|   | Notes | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|---|-------|---------------------|---------------------|
| <b>Income</b>                                       |       |                     |                     |
| <b>Revenue from operations</b>                      |       |                     |                     |
| Trusteeship fee                                     |       | 3,600,000           | 3,600,000           |
| <b>Other income</b>                                 |       |                     |                     |
| Profit on sale of current investments               |       | 82,803              | 62,241              |
| Interest on Income-tax refund                       |       | 8,973               | 12,869              |
| <b>Total revenue</b>                                |       | <b>3,691,776</b>    | <b>3,675,110</b>    |
| <b>Expenses:</b>                                    |       |                     |                     |
| Administrative and Other Expenses                   | 12    | 2,961,932           | 3,163,937           |
| <b>Total expenses</b>                               |       | <b>2,961,932</b>    | <b>3,163,937</b>    |
| <b>Profit before tax</b>                            |       | <b>729,844</b>      | <b>511,173</b>      |
| <b>Tax expense:</b>                                 |       |                     |                     |
| (1) Current tax                                     |       | 230,356             | 160,200             |
| (2) Deferred tax (assets)/liability                 |       | (4,833)             | -                   |
|   |       | <b>225,523</b>      | <b>160,200</b>      |
| <b>Profit for the year after tax</b>                |       | <b>504,321</b>      | <b>350,973</b>      |
| <b>Basic and diluted earnings per equity share</b>  |       | <b>10.09</b>        | <b>7.02</b>         |
| [Nominal value of share ₹10 (March 31, 2016 : ₹10)] |       |                     |                     |

Summary of significant accounting policies

2.1

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

As per our report of even date

**For S.R.BATLIBOI & CO. LLP**

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



Per Jayesh Gandhi  
Partner  
Membership No. 37924



Place: Mumbai  
Date :-April 19, 2017

**For and on behalf of the Board of Directors**




Director  
DIN : 02689698

Director  
DIN : 00322581

Place: Mumbai  
Date :-April 19, 2017


**AXIS MUTUAL FUND TRUSTEE LIMITED**

**Cash Flow statement for the year ended March 31, 2017**

|   | March 31, 2017   | March 31, 2016   |
|---|------------------|------------------|
|   | ₹                | ₹                |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>           |                  |                  |
| Profit before tax                                       | 729,844          | 511,173          |
| Profit on Sale of current Investment                    | (82,803)         | (62,241)         |
| <b>Operating profit before working capital changes</b>  | <b>647,041</b>   | <b>448,932</b>   |
| (Increase)/ Decrease In other Loans and Advances        | 27,098           | (94,728)         |
| (Increase)/ Decrease In Trade Receivables               | 58,500           | (6,420)          |
| Increase/ (Decrease) In Current Liabilities             | 77,138           | 355,352          |
| <b>Cash generated from operations</b>                   | <b>809,777</b>   | <b>703,136</b>   |
| Income Tax Paid (including TDS & refund)                | (160,594)        | (242,169)        |
| <b>Net cash from operating activities</b>               | <b>649,183</b>   | <b>460,967</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>           |                  |                  |
| Purchase of Investments                                 | (2,157,000)      | (1,830,000)      |
| Proceeds from Sale of Investments                       | 1,510,000        | 1,317,000        |
| <b>Net cash from/ (used in) Investing activities</b>    | <b>(647,000)</b> | <b>(513,000)</b> |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>           |                  |                  |
| Net (Decrease)/ Increase In cash and cash equivalents   | 2,183            | (52,033)         |
| Cash and cash equivalents at the beginning of the Year  | 8,571            | 60,604           |
| <b>Cash and cash equivalents at the end of the Year</b> | <b>10,754</b>    | <b>8,571</b>     |

As per our report of even date

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

  
Per Jayesh Gandhi  
Partner  
Membership No. 37924



Place: Mumbai  
Date :-April 19, 2017

For and on behalf of the Board of Directors

   
Director Director  
DIN : 02689698 DIN : 00322581



Place: Mumbai  
Date :-April 19, 2017

## Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2017

### 1. Corporate Information

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

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

### 2. Basis of preparation

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

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

#### 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, 2017

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

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

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

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

### 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.



**Axis Mutual Fund Trustee Limited**

Notes to financial statements for the year ended March 31, 2017

**h. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an out flow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be 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, 2017

### 3. Share capital

| Particulars  | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|--|---------------------|---------------------|
| <b>Authorised shares</b><br>100,000 (March 31, 2016 : 100,000) Equity Shares of ₹10 each                         | 1,000,000           | 1,000,000           |
| <b>Issued, subscribed and fully paid up shares</b><br>50,000 (March 31, 2016 : 50,000) Equity Shares of ₹10 each | 500,000             | 500,000             |
| <b>Total Issued, subscribed and fully paid up shares</b>   | <b>500,000</b>      | <b>500,000</b>      |

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

| Particulars                               | March 31, 2017 |                | March 31, 2016 |                |
|---|----------------|----------------|----------------|----------------|
|   | No. of shares  | ₹              | No. of shares  | ₹              |
| <b>Equity shares</b>                      |                |                |                |                |
| At the beginning of the year              | 50,000         | 500,000        | 50,000         | 500,000        |
| Add: Issued during the year               | -              | -              | -              | -              |
| <b>Outstanding at the end of the year</b> | <b>50,000</b>  | <b>500,000</b> | <b>50,000</b>  | <b>500,000</b> |

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

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

The company has not declared any dividends during the year.

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

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

| Name of the shareholders   | March 31, 2017 |                        | March 31, 2016 |                        |
|--|----------------|------------------------|----------------|------------------------|
|  | ₹              | % holding in the class | ₹              | % holding in the class |
| Axis Bank limited and its nominees, the holding company hold 37,499 (March 31, 2016 : 37,499) Equity shares of ₹10 each fully paid | 374,990        | 75%                    | 374,990        | 75%                    |
| Schroder Singapore Holdings Private Limited<br>12,501 (March 31, 2016 : 12,501) Equity Shares of ₹10 each fully paid               | 125,010        | 25%                    | 125,010        | 25%                    |



#### 4. Reserves and surplus

| Particulars                              | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|--|---------------------|---------------------|
| Capital Fund (Refer Note 17)             | 100,000             | 100,000             |
| Surplus in statement of profit and loss  |                     |                     |
| Balance as per last financial statements | 1,704,663           | 1,353,690           |
| Add: Profit for the year                 | 504,321             | 350,973             |
| Closing balance                          | 2,208,984           | 1,704,663           |
| <b>Total reserves and surplus</b>        | <b>2,308,984</b>    | <b>1,804,663</b>    |

#### 5. Other current liabilities

| Particulars                            | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|--|---------------------|---------------------|
| Accrued expenses (Refer Note 15)       | 712,146             | 629,149             |
| Statutory Dues payable                 | 75,641              | 81,500              |
| <b>Total other current liabilities</b> | <b>787,787</b>      | <b>710,649</b>      |



**AXIS MUTUAL FUND TRUSTEE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**6. Non-current Investments**

| Investments in mutual funds   | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|---|---------------------|---------------------|
| 99.513 Units (Previous year 99.513 units) in Axis Treasury Advantage Fund - Retail Growth * | 100,000             | 100,000             |
| 596.245 Units (Previous year 384.981 units) in Axis Liquid Fund - Direct Growth Plan        | 852,753             | 500,000             |
| <b>Total Investments</b>  | <b>952,753</b>      | <b>600,000</b>      |
| <b>Market value (Net Assets Value)</b>  | <b>1,245,049</b>    | <b>805,133</b>      |

Above investments are unquoted.

\*These investments are earmarked towards capital fund (Refer schedule 4 and Note 17).

**7. Deferred tax**

| Particulars                         | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|-------------------------------------|---------------------|---------------------|
| Deferred tax assets (Refer Note 20) | 4,833               | -                   |
|                                     | <b>4,833</b>        | <b>-</b>            |

**8. Current Investments**

| Investments in mutual funds   | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|---|---------------------|---------------------|
| 1226.580 Units (Previous year 1078.99 units) in Axis Liquid Fund - Direct Growth Plan | 2,105,625           | 1,728,575           |
| <b>Total Investments</b>  | <b>2,105,625</b>    | <b>1,728,575</b>    |
| <b>Market value (Net Assets Value)</b>  | <b>2,211,802</b>    | <b>1,812,083</b>    |

Above investments are unquoted.



**AXIS MUTUAL FUND TRUSTEE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**9. Trade receivables**

| Particulars  | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|--|---------------------|---------------------|
| Unsecured, considered good and outstanding for less than six months<br>- Trusteeship fee receivable* | 255,000             | 313,500             |
|  | <u>255,000</u>      | <u>313,500</u>      |

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

**10. Cash and cash equivalents**

| Particulars  | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|--|---------------------|---------------------|
| Balances with bank in current account (Scheduled bank) | 10,754              | 8,571               |
|  | <u>10,754</u>       | <u>8,571</u>        |

**11. Other loans and advances**

| Particulars  | Non Current         |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | March 31, 2017<br>₹ | March 31, 2016<br>₹ | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
| Advance tax and tax deducted at source<br>(net of provision for tax) | 129,644             | 199,406             | -                   | -                   |
| Advance recoverable in cash or in kind for value to be<br>received   |                     |                     |                     |                     |
| - Service tax input credit on accrued expenses                       | -                   | -                   | 138,162             | 165,260             |
|  | <u>129,644</u>      | <u>199,406</u>      | <u>138,162</u>      | <u>165,260</u>      |

**12. Administrative and other Expenses**

| Particulars                 | March 31, 2017<br>₹ | March 31, 2016<br>₹ |
|-----------------------------|---------------------|---------------------|
| Legal and professional fees | 340,162             | 350,869             |
| Payment to auditors         |                     |                     |
| - Audit fee                 | 50,250              | 50,250              |
| - Out of pocket expenses    | 1,603               | 550                 |
| - Other                     | 502,500             | 450,000             |
| Directors sitting fees      | 1,959,750           | 2,303,500           |
| Car hire charges            | 98,558              | -                   |
| Miscellaneous expenses      | 172                 | 2,377               |
| Service Tax Expenses        | 8,937               | 6,391               |
|                             | <u>2,961,932</u>    | <u>3,163,937</u>    |



## Axis Mutual Fund Trustee Limited

Notes to financial statements for the year ended March 31, 2017

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

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

| Particulars  | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| (a) Nominal value of equity share (₹)                    | 10             | 10             |
| (b) Net profit available to equity shareholders (₹)      | 504,321        | 350,973        |
| (c) Weighted average number of equity shares outstanding | 50,000         | 50,000         |
| (d) Basic and Diluted EPS (₹) = (b)/ (c)                 | 10.09          | 7.02           |

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

### 14. Related Party Disclosure

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

The nature and volume of transactions of the Company with the above related parties for the year ended March 31, 2017 were as follows:

| Particulars                            | (Amount ₹)         |                |
|--|--------------------|----------------|
|  | Axis Bank Limited  |                |
|  | For the year ended |                |
|  | March 31, 2017     | March 31, 2016 |
| <u>Transactions:-</u>                  | -                  | -              |
| <u>Outstanding balance:-</u>           |                    |                |
| Current account balance with Axis Bank | 10,754             | 8,571          |
| Equity share capital                   | 374,990            | 374,990        |
| Sponsor's contribution                 | 100,000            | 100,000        |

### 15. 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).

### 16. Segment reporting

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



**Axis Mutual Fund Trustee Limited**

Notes to financial statements for the year ended March 31, 2017

**17. 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.

18. Contingent liabilities and capital commitments are Nil (March 31, 2016 : Nil)

19. Disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, as required under MCA notification number GSR 308(E) dated March 30, 2017 is as follows :-

| Particulars                                  | SBNs | Other denomination notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hand as on November 8, 2016  | -    | -                        | -     |
| Add : Permitted receipts                     | -    | -                        | -     |
| Less : Permitted payments                    | -    | -                        | -     |
| Less : Amount deposited in Banks             | -    | -                        | -     |
| Closing cash in hand as on December 30, 2016 | -    | -                        | -     |

**20. Deferred tax asset**

In compliance with the Accounting Standards on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India, the company has deferred tax asset of Rs.4,833/- (Previous year- Nil) on Investment. The amount has been credited to the Statement of Profit and Loss.

**21. Prior period comparatives**

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

As per our report of even date.

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

Per Jayesh Gandhi  
Partner  
Membership No.37924



For and on behalf of the Board of Directors

Director  
DIN : 02689698

Director  
DIN : 00322581



Place: Mumbai  
Date: April 19, 2017

Place: Mumbai  
Date: April 19, 2017