

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Seventh Annual Report** of your Company together with the financial statements, including, Audited Statement of Accounts for the financial year, April 1, 2015 to March 31, 2016. During the year your Company registered a net profit of Rs. 3163.90 Lakhs.

FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2016 is given below:

Particulars	Amount (Rs. In Lakhs)	
	Financial Year Ended 31.03.2016	Financial Year Ended 31.03.2015
Gross Income	380,54.50	205,68.53
Expenses	348,90.60	197,14.33
Profit/(Loss) before Tax	3,163.90	8,54.20
Provision for Taxation	Nil	57.56
Profit/(Loss) after Tax	3163.90	7,96.64
Profit available for appropriation	3163.90	7,96.64
APPROPRIATIONS		
Transfer to General Reserve	Nil	Nil
Transfer to Contingency Reserve	Nil	Nil
Balance after appropriations	3163.90	7,96.64
Balance Profit /(Loss) Carried Forward	3163.90	7,96.64

DISCLOSURES ABOUT CAPITAL INFUSION DURING THE YEAR, IF ANY, SHAREHOLDING PATTERN, DIVIDEND AND TRANSFER TO RESERVES.

As on March 31, 2016, the issued share capital of the Company was Rs. 2,101,111,120 /- divided into 210,111,112, equity shares of Rs. 10/- each.

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

DIVIDENDS

Your Directors have not recommended payment of any dividend on equity shares, for the year ended March 31, 2016.

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 had a very good financial year managing the assets of Axis Mutual Fund. Axis Mutual Fund (Axis MF) continued on a strong growth trajectory and achieved a new peak AUM this year. Axis MF witnessed strong inflows in its schemes, on the back of favourable investor sentiment and strong performance of its schemes. 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. Following is a summary of the major product highlights/ initiatives:

1. Axis Equity Saver Fund: Axis AMC launched the innovative fund during the course of the year. The fund provides conservative investors with a superior risk-return matrix as compared to traditional balanced funds with a tax efficient structure.
2. Axis Children's Gift Fund: Axis AMC launched the innovative product during the course of the year. The launch was combined with a large number of innovative promotional activities that highlighted the need for parents (and other well-wishers) to start planning for the future of their children.
3. Axis Long Term Equity Fund: The fund continued to deliver strong and consistent performance and received a number of industry accolades. It grew substantially in terms of AUM.
4. Revamp of axismf.com: The revamp of the website continued in the year with added functionalities that provide a strong online execution platform for investors.

Details of products/schemes launched and allotted during the year 2015-2016:

Sr. No.	Name of the scheme	Type of the scheme	Allotment date	Amount collected during NFO
1	Axis Hybrid Fund Series-22 (1278 Days)	Close ended Debt Scheme	11-May-15	3,956,427,120.00
2	Axis Hybrid Fund Series-23 (1275 Days)	Close ended Debt Scheme	28-May-15	3,583,206,890.00
3	Axis Hybrid Fund Series-24 (1276 Days)	Close ended Debt Scheme	17-Jun-15	4,281,907,970.00
4	Axis Hybrid Fund Series-25 (1278 Days)	Close ended Debt Scheme	25-Aug-15	1,617,051,460.00
5	Axis Equity Saver Fund	Open ended Equity Scheme	14-Aug-15	6,717,545,407.00

6	Axis Hybrid Series 26 (1276 Days)	Close ended Debt Scheme	10-Sep-15	1,891,483,380.00
7	Axis Hybrid Series 27 (1351 Days)	Close ended Debt Scheme	29-Oct-15	2,761,114,530.00
8	Axis Hybrid Series 28 (1331 Days)	Close ended Debt Scheme	18-Nov-15	2,281,998,710.00
9	Axis Childrens Gift Fund	Open ended Equity Scheme	08-Dec-15	1,578,567,251.59
10	Axis Hybrid Fund – Series 29 (1275 Days)	Close ended Debt Scheme	01-Feb-16	859,267,050.00
11	Axis Hybrid Fund – Series 30 (1297 Days)	Close ended Debt Scheme	11-Feb-16	1,076,966,690.00

Details of performance of schemes of Axis Mutual Fund can be obtained from the website of Axis Mutual Fund, www.axismf.com.

PORTFOLIO MANAGEMENT SERVICES

PMS business suffers from a number of structural headwinds on account of regulatory and operational challenges. As a result, we have been limiting new activities and assessing various alternate options for the PMS business.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no orders passed by 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, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are approved / ratified by the Audit and Risk Committee as well as the Board of the Company. Details of related party transactions are attached in Annexure (AOC-2).

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, Ms. Shikha Sharma retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. During the year there was no new appointment or resignation of Director(s). All Independent Director had been appointed for a term of five years, at the Fifth Annual General Meeting of the Company.

The Shareholders approved the appointment of Mr. Richard Mountford as Director of the Company w.e.f. May 25, 2015 at the Annual General Meeting held on May 25, 2015

All the Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Mr. Chandresh Kumar Nigam, Managing Director and Chief Executive Officer, has not received any commission during the year.

KEY MANAGERIAL PERSONNEL

Mr. Gopal Menon was appointed as the Chief Operating Officer w.e.f. September 25, 2015 and re-designated as Chief Operating Officer and Chief Financial Officer w.e.f. October 28,

2015 pursuant to the resignation of Mr. Praveen Bhatt. Key Managerial personnel of the Company, as on March 31, 2016 are as follows:

Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer
 Mr. Gopal Menon– Chief Operating Officer and Chief Financial Officer
 Mr. Nilesh Pednekar – Senior Manager – Compliance & Legal and Company Secretary

PUBLIC DEPOSITS

During the Financial Year ended March 31, 2016, 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. Further, other requirements of the Companies (Accounts) Rules, 2014, are also not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Income from Foreign Currency – Rs.52,001,995 (Previous year: Rs. 39,662,004)
 b) Payments in Foreign Currency (Rs.)

Particulars	Amount (Rs.)	
	March 31, 2016	March 31, 2015
Travelling, lodging and conveyance	9,95,650	9,71,333
Scheme expenses	Nil	6,77,160
Scheme expenses marketing	7,24,455	Nil
Data online, Computer & Software related cost	7,51,197	7,74,549
Total	24,71,302	24,23,042

BOARD MEETINGS

During the financial year March 31, 2016, five meetings on April, 10, 2015, April 27, 2015, July 2, 2015, October 28, 2015 and January 27, 2016 of the Board of Directors were held. One meeting of the Independent Directors was conducted on March 22, 2016. The status of attendance of Directors at the Board Meetings is as follows:

Name	Designation	Director's Identification Number (DIN)	Meetings Attended
Mr. Ashok Sinha	Director	00070477	5
Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	00498968	5
Mr. Pranesh Misra	Director	00005650	4
Mr. Ramesh Kumar Bammi	Director	03411046	5
Mr. Richard Anthony Mountford	Director	06660424	5
Ms. Shikha Sanjaya Sharma	Chairman	00043265	4
Mr.Tharmapuram Subramaniam Narayanasami	Director	01786981	3
Mr. Ullal Ravindra Bhat	Director	00008425	4
Total Meetings held during the year			5

COMMITTEES OF THE BOARD OF DIRECTORS AND MANAGEMENT

To enable better and more focused attention on the affairs of the Company, the Board has constituted Committees of the Board, namely, Audit and Risk Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Allotment Committee. The Board has also constituted some committees of the management of the Company including Risk Management Committee, Investment Review Committee, Valuation Committee etc., to which specific matters have been delegated by the Board of Directors.

CONSTITUTION OF AUDIT AND RISK COMMITTEE OF DIRECTORS

In line with the provisions of the Companies Act, 2013, Audit Committee (referred to as the Audit and Risk Committee) of the Board of Directors of the Company, was constituted by the Board of Directors of your Company. There was no such case where recommendation of Audit and Risk Committee was not accepted.

As on March 31, 2016, the Audit and Risk Committee consists of the following Directors:

Mr. Ashok Sinha
Mr. Chandresh Kumar Nigam
Mr. Richard Anthony Mountford
Mr. T. S. Narayanasami
Mr. U. R. Bhat

During the Financial Year, 5 Audit and Risk Committee Meetings were held on April, 10, 2015, April 27, 2015, July 2, 2015, October 28, 2015 and January 27, 2016. The status of attendance of the committee members at these committee meetings is as follows:

Name of Members	Designation	No. of Audit and Risk Committee Meetings attended
Mr. Ashok Sinha	Director	5
Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	5
Mr. Richard Anthony Mountford	Director	5
Mr. T. S. Narayanasami	Director	3
Mr. U. R. Bhat	Director	4

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee of the Board of Directors has been constituted, to comply with the provisions of the Companies Act, 2013 and ensure better standards of Corporate Governance.

As on March 31, 2016, the Nomination and Remuneration Committee consisted of the following directors:

Mr. Chandresh Kumar Nigam
Mr. Richard Anthony Mountford
Mr. R.K. Bammi
Mr. Pranesh Misra
Mr. T.S. Narayanasami
Mr. U. R. Bhat

During the Financial Year, one meeting of Nomination and Remuneration committee was held on March 22, 2016. The status of attendance of the Committee Members at these Committee Meetings is as follows:

Name of Members	Designation	No. of Nomination and Remuneration Committee Meetings attended
Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	1
Mr. Richard Anthony Mounford	Director	1
Mr. R.K. Bammi	Director	1
Mr. Pranesh Misra	Director	1
Mr. T.S. Narayanasami	Director	1
Mr. U. R. Bhat	Director	1

CONSTITUTION OF SHARE ALLOTMENT COMMITTEE

Share Allotment Committee of the Board of Directors has been constituted to comply with the provisions of the Companies Act, 2013

The Committees approves the allotment of shares, upon receiving the money in respect of any application for shares/ issue of shares, which is approved by the Board of Directors of the Company.

As on March 31, 2016, the Share Allotment Committee consisted of the following directors:

Mr. Chandresh Kumar Nigam
Mr. R. K. Bammi
Mr. Richard Anthony Mounford

During the Financial Year, no meeting of Share Allotment Committee was held. The status of attendance of the Committee Members at these Committee Meetings is as follows:

Name of Members	Designation	No. of Share allotment Committee Meetings attended
Mr. Chandresh Kumar Nigam	Director	No meeting of Share Allotment Committee was held
Mr. R. K. Bammi	Director	
Mr. Richard Anthony Mounford	Director	

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The AMC has constituted a Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility) Rules, 2014. The brief outline of the CSR Policy, the composition of the CSR Committee, average net profits of the Bank for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the year have been disclosed in Annexure 1 to this Report, as mandated under the said Rules.

The Board of Directors of the Company at their meeting held on October 28, 2015 constituted Corporate Social Responsibility committee. CSR Committee consists of following Directors:

1. Mr. Ashok Sinha - Chairman
2. Mr. R. K. Bammi – Independent Director
3. Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer

The CSR Committee meeting was held on January 27, 2016. The status of attendance of the Committee Members at these Committee Meetings is as follows:

Name of Members	Designation	No. of CSR Meeting attended
Mr. Ashok Sinha	Chairman	1
Mr. R. K. Bammi	Independent Director	1
Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	1

RISK MANAGEMENT

Audit and Risk Committee of Axis AMC interalia discusses various risk management related issues, at its periodic meetings. This is a committee of the Board of Directors of Axis AMC and is chaired by an Independent Director. The Audit and Risk Committee of the Board updates the Board on various important risk issues discussed at their meetings.

Axis AMC also has a Risk Management Committee (RMC) of the management of the company. The meetings of this committee are held on a monthly basis. The meeting of this committee is chaired by the MD & CEO of the AMC. Various function heads of the AMC are the members of this committee. Various risk issues are raised and discussed at the monthly meetings of the committee. The minutes of the RMC are submitted to the Audit and Risk Committee of the Board. Comprehensive Risk Management requirements have been laid down by SEBI in the SEBI Regulations. The AMC adheres to these requirements. In accordance with the SEBI requirements, Independent auditors Price Waterhouse Chartered Accountants LLP (one of the leading global auditors), the internal auditors of the Mutual Fund, and the AMC, review the adequacy and compliance of risk management practises established at the AMC, as a part of their periodic audits. The internal auditors report directly to the Audit and Risk committee of Axis AMC and Audit Committee of Axis Mutual Fund Trustee Limited.

Various risk related issues pertaining to investment management are also discussed and deliberated at the monthly meetings of the Investment Management Committee chaired by the MD & CEO. Various equity and debt fund managers including the Head Debt and Head Equity form a part of this committee. Important issues discussed in the meeting are also deliberated upon at the meetings of the Board of Directors of Axis AMC and Axis Mutual Fund Trustee Company.

BOARD EVALUATION

The Board continued with the formal mechanism for evaluating its performance, as well as that of its Committees and the Directors, including the Chairperson of the Board. The exercise was carried out through an evaluation process covering various aspects of the Board's functioning. A questionnaire was shared with all the Directors to get their response / views on various aspects such as composition and structure, strategic alignment and direction, engagement alignment, process and effectiveness of interactions etc. of the Board and various aspects pertaining to the functioning of the committees, etc. Performance evaluation of Directors including the Board Chairman was also undertaken.

The nomination and remuneration committee of the Board carried out an evaluation of the entire board, various committees and the directors of the Company. The Independent Directors too carried out the evaluation of the board as whole, of the Chairman and the Non-Independent Directors of the Company.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Nomination and Remuneration policy

The Nomination and Remuneration Committee of the Board has been formed to assist the Board in its oversight of nomination and remuneration, interalia of the Board members and the staff of the Company. The Nomination and Remuneration policy has been framed to interalia achieve the following objectives :

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and staff of the quality required to run the company successfully
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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, which 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. The Audit Plan also considered audit areas suggested by the statutory auditors and was approved by the Audit and Risk Committee.

During the year, the audit and risk committee met regularly to review various observations and recommendation for improvement of business processes made by the external auditing firm and monitor the progress in implementation of the various audit recommendations.

SECRETARIAL AUDIT REPORT

Secretarial Audit for the year 2015-16 was undertaken by MC & Associates, Company Secretaries. The audit interalia covers review of compliance with the requirements specified under Companies Act, 2013 and the Rules made under the Act. The Secretarial Audit Report is given as Annexure 2

STUATORY AUDITORS

The Auditors, M/s Haribhakti & Co, Chartered Accountants having firm registration number 103523W, 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 Haribhakti & Co., Chartered Accountants as Statutory Auditors to hold the office till the conclusion of the 10th Annual General Meeting. As per section 139(1) of Companies Act 2013, appointment of auditors is subject to ratification every year by members of the Company. The shareholders are requested to ratify their appointment.

QUALIFICATIONS IN THE AUDITOR'S REPORT(S).

The report(s) of the Statutory Auditor and the Secretarial Auditor do not have any adverse observations.

AS PER SUB SECTION 1 OF SECTION 178 POLICIES ON APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

The Company has framed a policy on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters provided under sub-section (3) of section 178. Some of the key features of the Policy are as under :

- While selecting Independent Directors, the company shall ensure that there is appropriate balance of skills, experience and knowledge in the Board, so as to enable the Board to discharge its functions and duties effectively
- The independent directors shall be independent of the management of the company
- Their appointment shall be approved at the meeting of the shareholders
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Appropriate other qualification/experience to meet the objectives of the Company.
- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the relevant industry, market conditions and applicable legal provisions
- To assist in bringing independent judgment to bear on the Board's deliberations, especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder, as amended from time to time.

EMPLOYEES

The statement containing particulars of employees as required under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in an Annexure and forms part of this report. Any member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEE GIVEN OR SECURITY PROVIDED

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

1. Loans and guarantee given - Nil
2. Security provided - Nil
3. Investment Made:

Amount in Rupees
(units)

Details of Investment	Purpose	Opening	Purchase	Redemption	Gain	Closing	
Units of: Axis Liquid fund	Parking of surplus working capital	17,000,000 (10,966.405)	1,886,500,000 (1,147,692.279)	1,665,469,063 (1,016,215.927)	4,962,622 (1,016,215.927)	238,030,934 (142,442.759)	
Axis Enhanced Arbitrage Fund	Investment made in terms of SEBI Gazette Notification dated May 6, 2014	5,000,000 (500,000)		-	-	5,000,000 (500,000)	
Axis Fixed Income Opportunities Fund		5,000,000 (500,000)		-	-	5,000,000 (500,000)	
Axis Focused 25 Fund		5,000,000 (500,000)		5,000,000 (286,861.733)	-	-	5,000,000 (286,861.733)
Axis Banking Debt Fund		5,000,000 (3,874.991)		5,000,000 (3,874.991)	-	-	5,000,000 (3,874.991)
Axis Liquid Fund		5,000,000 (3201.590)		5,000,000 (3201.590)	-	-	5,000,000 (3201.590)
Axis Childrens Gift Fund		5,000,000 (500,000)		5,000,000 (500,000)	-	-	5,000,000 (500,000)
Axis Constant Maturity 10 Year Fund		3,500,000 (277,705.046)		3,500,000 (277,705.046)	-	-	3,500,000 (277,705.046)
Axis Dynamic Bond Fund		5,000,000 (340,217.058)		5,000,000 (340,217.058)	-	-	5,000,000 (340,217.058)
Axis Equity Fund		5,000,000 (260,145.682)		5,000,000 (260,145.682)	-	-	5,000,000 (260,145.682)
Axis Equity Saver		5,000,000 (500,000)		5,000,000 (500,000)	-	-	5,000,000 (500,000)
Axis Gold Fund		5,000,000 (517,512.627)		5,000,000 (517,512.627)	-	-	5,000,000 (517,512.627)
Axis Income Fund		5,000,000 (367,555.170)		5,000,000 (367,555.170)	-	-	5,000,000 (367,555.170)
Axis Income Saver		5,000,000 (321,320.241)		5,000,000 (321,320.241)	-	-	5,000,000 (321,320.241)
Axis Mid Cap Fund		5,000,000 (197,083.169)		5,000,000 (197,083.169)	-	-	5,000,000 (197,083.169)
Axis Short Term Fund		5,000,000 (323,055.850)		5,000,000 (323,055.850)	-	-	5,000,000 (323,055.850)
Axis Treasury Advantage Fund		5,000,000 (3170.064)		5,000,000 (3170.064)	-	-	5,000,000 (3170.064)
Axis Triple Advantage Fund		5,000,000 (323,047.501)		5,000,000 (323,047.501)	-	-	5,000,000 (323,047.501)
Axis Long Term Equity Fund		5,000,000 (161,830.104)		5,000,000 (161,830.104)	-	-	5,000,000 (161,830.104)
Gold Exchange Traded Fund				5,156,794 (2000)			5,156,794 (2000)
Investment in share							
MF Utilities India P Ltd			500,000				500,000

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:

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

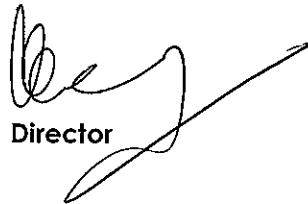
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company, at the end of the financial year and of the profit and loss of the company,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

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 its valued clients and customers for their continued patronage. The Board also expresses its deep sense of appreciation to all employees of the Company for their strong work ethic, excellent performance, professionalism, team work, commitment and initiative which has led to the Company making commendable progress in today's challenging environment.

for and on behalf of the Board of Directors


Director


Director

Place: Mumbai

Date April 18, 2016

Annexure II

List of Specific Events

Sr. No.	Remarks	Board of Directors Approval date	Members Approval date
1.	Appointment of Mr. Richard Mountford as Associate Director.	10.04.2015	25.05.2015
2.	Payment of performance bonus to the MD & CEO for the year ended March 31, 2015 and granting points under Long Term Incentive plan to the MD & CEO for the Financial Year 2015-16.	10.04.2015	25.05.2015
3.	Remuneration for the Financial Year 2015-16 to be paid to the MD & CEO, subject to the approval of Central Government.	10.04.2015	25.05.2015
4.	Appointment of Mr. Gopal Menon as CFO.	28.10.2015	NA
5.	Entered into Listing Agreement with Bombay Stock Exchange and National Stock Exchange with respect to units of schemes of Axis Mutual Fund.	NA	NA
6.	The Central Government has on April 7, 2016, approved the remuneration which is lesser than the amount applied by the Company. In view thereof the Company is in process of making application representation to the Central Government for reconsideration of remuneration applied by the Company. Necessary disclosures are made in the Auditor's Report and Financial Statement for the financial year ended March 31, 2016.	NA	NA



Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[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: U65991MH2009PLC189558
- ii) Registration Date: January 13, 2009
- iii) Name of the Company: Axis Asset Management company Limited
- 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, Mumbai - 400025.
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. Principal business activities of the company

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

SR.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment Management-The Company manages Investment Portfolios of the scheme(s) launched by the Axis Mutual Fund and Portfolio under Portfolio Management Services	804.9	98.60%

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	L65110GJ1993PLC020769	Holding	75%	2(46)
2	Schroder Singapore Holdings Private Limited	-	Associate	25%*	2(6)

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	157583263	-	157583263	74.99996621	157583263	-	157583263	74.99996621	-
f) Any Other	70@	-	70@	0.00003332	70@	-	70@	0.00003332	-
Sub-total (A) (1):-	157583333	-	157583333	74.99999953	157583333	-	157583333	74.99999953	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	52527779	-	52527779	25.00000048	52527779	-	52527779	25.00000048	-
Sub-total (A) (2):-	52527779	-	52527779	25.00000048	52527779	-	52527779	25.00000048	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	210111112	-	210111112	100%	210111112	-	210111112	100%	Nil

B. Public Shareholdings									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									
2. Non-Institutions									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	210111112	-	210111112	100%	210111112	-	210111112	100%	Nil

@ shares held by nominees of Axis Bank Limited.

ii) Shareholding of Promoters

SR No	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Axis Bank Limited.	157583333 [^]	75%	Nil	157583333 [^]	75%	Nil	No change
2	Schroder Singapore Holdings Private Limited	52527779	25%	Nil	52527779	25%	Nil	No change
	Total	210111112	100%	Nil	210111112	100%	Nil	No change

[^] Out of 15,75,83,333 shares held by Axis Bank Limited, 70 shares are held by nominees of Axis Bank Limited

iii) Change in Promoters' Shareholding: No change

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of	-	-	-	-
the financial year	-	-	-	-

i) Principal Amount		44,65,00,000		44,65,00,000
ii) Interest due but not paid		443,696		443,696
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				114,900,000
• Addition		114,900,000		
• Reduction		561,843,696		561,843,696
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. Remuneration of directors and Key Managerial Personnel

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

Sl. No	Particulars of Remuneration	CHANDRESH KUMAR NIGAM	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,40,53,245	3,40,53,245
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(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)	34,092,845	34,092,845
	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	

Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Ashok Sinha	Pranesh Misra	T.S Narayan asami	U. R. Bhat	
	Independent Directors Fee for attending board/ committee meetings Commission Others, please specify	600,000	300,000	400,000	500,000	1,800,000
	Total(1)	600,000	300,000	400,000	500,000	1,800,000
	Other Non-Executive Directors Fee for attending board Commission Others, please specify	Ramesh Kumar Bammi	-	-	-	-
	Total(2)	350,000	-	-	-	350,000
	Total(B)=(1+2)					
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	197 (1)(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,— (A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager; (B) three per cent. of the net profits in any other case. 197 (2) The percentages aforesaid shall be exclusive of any fees payable to directors under sub-section (5). 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				

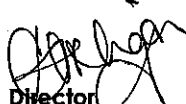
Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO April 1, 2015 till September 21, 2015	CFO October 28, 2015 till March 31, 2016	Total
	Names	Mr. Chandresh Kumar Nigam	Mr. Nilesh Pednekar	Mr. Praveen Bhatt	Mr. Gopal Menon	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,40,53,245	13,47,160	2,02,44,623	70,16,804	62,661,832
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	-	-	19,200	58,800
	(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	-	-	-	-	-
6	Total	34,092,845	13,47,160	2,02,44,623	70,36,004	9,52,57,022

VII. Penalties / Punishment/ Compounding of offences

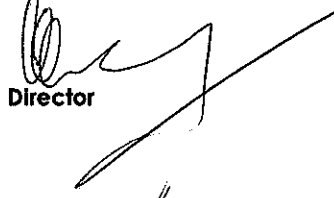
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil				
Punishment					
Compounding					
C. Other officers in default					
Penalty	Nil				
Punishment					
Compounding					

for and on behalf of the Board of Directors


Director

Place: Mumbai

Date April 18, 2016


Director

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 234 of the Act and Rule 9(2) of the Companies(Accounts) Rules, 2014)

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

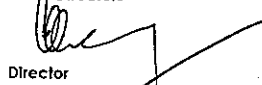
Sr No	Name of the related party	Nature of relationship	Nature of the contract	Duration of the contract	Particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any
1	Axis Bank Limited	Holding Company	Brokerage on sale of Mutual Fund Units	Ongoing, effective till not terminated	Axis AMC is the asset management company of Axis Mutual Fund (AMF). AAMCL engaged Axis Bank Ltd (ABL) for provision of distribution & selling services in respect of mutual fund schemes of AMF. In this regard, the functions performed by ABL majorly include the following activities: • Getting in touch with the prospective clients to market the schemes; • Discussing with the clients the type of investments and the quantum of investments to be made in a particular scheme; • Soliciting, collecting applications/ registration forms and other documents and promptly deliver the same to Axis AMC; • Collecting the subscription forms; and • Acting as an intermediary between the customers and Axis AMC and to resolve any query raised by the customers.	The agreement between parties enumerates the various terms of services to be fulfilled by either parties, however the brokerage rates for ongoing schemes is negotiated/communicated normally on monthly/quarterly basis. In case of launch of new schemes/funds the brokerages rates are negotiated/communicated before the launch of such new schemes.
2	Axis Bank Limited	Holding Company	lease rent Agreement	Current Agreement is for period 05th February 2014 to 4th February 2017, which is further renewable	For the purpose of carrying out its business, AMC has entered into a lease agreement with ABL for its premises located on 1st floor, Axis House, C-2 Wadia International center, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.	AMC has taken an office area of 13,684.18 sq. feet @RS 193.35 per sq. feet (exclusive of service tax).
3	Axis Bank Limited	Holding Company	lease rent Agreement - Reimbursement of administration expenses	Ongoing, effective till not terminated	AMC is currently sharing its corporate office with ABL. ABL incurs cost towards maintenance of the entire premises for eg Security cost gardening cost, house keeping cost, and other repair costs etc. It allocates cost to AMC based on area occupied by amc or on one to one basis on actuals	Amount varies month on month based on actuals incurred by ABL
4	Axis Bank Limited	Holding Company	Rent Expenses - other location (other than corporate office)	Ongoing, effective till not terminated	For the purpose of marketing and selling its products, Axis AMC has placed its employees at various branches of Axis Bank. The employees occupy desk space at these location There are currently 52 such locations across India where the employees of Axis AMC are placed. Axis Bank is paying rent to third party for the total area. Axis Bank is recovering rent from AMC at actuals, in proportion to the desk space occupied by the employees of AMC vis-a-vis the total number of desk space occupied.	Amounts will vary monthly, it will be based on location and desk space occupied by AMC employees
5	Axis Bank Limited	Holding Company	Facilities Expenses - other location (other than corporate office)	Ongoing, effective till not terminated	As mentioned above Axis AMC has placed its employees at various branches of Axis Bank. Further, Axis Bank provides certain amenities to the employees of AMC occupying such desk space. The management of Axis Bank has identified certain costs incurred for such amenities and has allocated the same on the basis of area occupied by each desk.	Axis Bank charges a flat rate of INR 5,500 per desk per month to AMC, for various amenities provided to the employees of AMC, at the branch premises of Axis Bank.
6	Axis Bank Limited	Holding Company	Bank Charges	Ongoing, effective till not terminated	These charges have been paid to Axis Bank, in the normal course of business. The charges are towards normal cash management Services (CMS) that include tasks like fund transfer, cheque collection, banking, warrant issuance etc	Axis Bank charges Rs.3/- rate per instrument to AMC for payment service charges for cheque printing, NEFT, RTGS & DC. NFO application process charges per location Rs.1000/-
7	Axis Bank Limited	Holding Company	Custodian and R&T services	Ongoing, effective till not terminated	Other charges like custodian charges, reimbursement of fund accounting charges, gilt account transaction charges, etc. which Axis AMC incurs in the normal course of its Portfolio Management Business	asset servicing charges (fund accounting charges), Axis Bank charges AAMCL 0.01% of the total value of the security held under custody. Further in relation to gilt accounting charges, Axis Bank charges INR 250 per transaction plus CCIL charges. This is only for the Portfolio management business.
8	Axis Bank Limited	Holding Company	Extension of line of credit	Ongoing, effective till not terminated	ABL has extended line of credit for Rs 80 crs to AMC. The line of credit will be utilised for payment of business/brokerage payouts.	The rate of interest offered by ABL is (Base Rate+0.60%)

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
9	Axis Capital Ltd	Subsidiary of Holding Company	Brokerage on sale of Mutual Fund Units	Ongoing, effective till not terminated	<p>Axis AMC is the asset management company of Axis Mutual Fund (AMF). AAMCL engaged Axis Capital LTD (ACL) for provision of marketing services in respect of mutual fund schemes of AMF.</p> <p>In this regard, the functions performed by ACL majorly include the following activities:</p> <ul style="list-style-type: none"> • Getting in touch with the prospective clients to sell and market the schemes; • Discussing with the clients, the type of investments and the quantum of investments to be made in a particular scheme; • Soliciting, collecting, applications/ registration forms and other documents and promptly deliver the same to Axis AMC; • Collecting the subscription forms; and • Acting as an intermediary between the customers and Axis AMC and to resolve any query raised by the customers. 	The agreement between parties enumerates the various terms of services to be fulfilled by either parties, however the brokerage rates for ongoing schemes is negotiated/communicated normally on monthly/quaterly basis. In case of launch of new schemes/funds the brokerages rates are negotiated/communicated before the launch of such new schemes.
10	Axis Capital Ltd	Subsidiary of Holding Company	Payment of Charges towards putting up web Banners/online advertisements on it is web portal and magazine advertisements	Ongoing, effective till not terminated	<p>ACL is a financial services provider and runs a web portal by domain name 'http://www.axiscapital.co.in', visited by its investors. Axis AMC uses this platform for promoting its schemes.</p> <p>Also AXIS AMC also uses investor communication magazine for promoting its schemes by placing scheme advertisement</p>	ACL will charge Rs 8 lacs per annum towards such services payable on Quarterly rests
11	Axis Securities Ltd	Subsidiary of Holding Company	Brokerage on sale of Mutual Fund Units	Ongoing, effective till not terminated	<p>Axis AMC is the asset management company of Axis Mutual Fund (AMF). AAMCL engaged Axis Securities Ltd (ASL) for provision of selling and marketing services in respect of mutual fund schemes of AMF.</p> <p>In this regard, the functions performed by ASL majorly include the following activities:</p> <ul style="list-style-type: none"> • Getting in touch with the prospective clients to sell and market the schemes; • Discussing with the clients, the type of investments and the quantum of investments to be made in a particular scheme; • Soliciting, collecting applications/ registration forms and other documents and promptly deliver the same to Axis AMC; • Collecting the subscription forms; and • Acting as an intermediary between the customers and Axis AMC and to resolve any query raised by the customers. 	The agreement between parties enumerates the various terms of services to be fulfilled by either parties, however the brokerage rates for ongoing schemes is negotiated/communicated normally on monthly/quaterly basis. In case of launch of new schemes/funds the brokerages rates are negotiated/communicated before the launch of such new schemes.
12	Axis Securities Ltd	Subsidiary of Holding Company	Cost of providing staff support together with business support expenses	Ongoing, effective till not terminated	<p>Certain non-critical tasks within Axis AMC's departments are supported by outsourced employees on the payroll of Axis Securities limited(ASL). ASL initially makes payment of salary and other expenses of such employees to the employees and is subsequently remunerated by Axis AMC for such services.</p> <p>For the purpose of selling marketing its products, Axis AMC has placed its supporting employees at various branches of ASL. The employees occupy desk space at these location</p> <p>There are currently 91 such locations across India where the employees of Axis AMC are placed. ASL also provide amenities and business support to such placed employees. The amenities are recovered on proportionate actuals basis.</p> <p>The agreement between ASL and AMC lists down various mutual responsibilities of ASL and Axis AMC in relation to aforesaid services.</p>	<p>ASL charges a mark-up of 10% over and above the salary and other salary related expenses on paid to such employees by ASL.</p> <p>The amenities and rentals are recovered on prorated actuals.</p>

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
13	Axis Securities Ltd	Subsidiary of Holding Company	Payment of Charges towards putting up web Banners/online advertisements on it is web portal and magazine advertisements	Ongoing, effective till not terminated	ASSL is a SEBI registered securities broker and runs a web portal by domain name 'AXISDIRECT.COM', which hosts its online transaction portal and is visited by all its trading investors (around 45000 unique investors every month). ASSL will provide 2 web spaces for advertisement banner and landing page link to our portal. Axis AMC plans to use this platform for promoting its schemes. Also AXIS AMC plans to use investor communication magazine for this promoting its schemes	ASSL will charge Rs 18 lacs per annum towards such services payable on monthly rests
14	Central Depositories (I) Ltd	Company in which a Director is interested - Mr. Narayansami	Custodial fees	Ongoing, effective till not terminated	These charges have been paid to CDSL in the normal course of business. The charges are towards custodial fees for close ended scheme and for other charges	Charges as may be specified in the operating instruction for AMC, issued by CDSL from time to time
15	Chandresh Kumar Nigam	MD& CEO	Directors Remuneration	Ongoing, effective till not terminated	Chandresh Nigam is the MD& CEO of Axis AMC	34,092,845/-
16	Independent Directors Mr. T S Narayan Sami Mr. U R Bhatt Mr. Pranesh Mishra Mr. Ashok Sinha Mr. R K Bammi	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 400,000/- 500,000/- 300,000/- 600,000/- 350,000/-
17	Nilesh Pednekar	Company Secretary	Salaries	Ongoing, effective till not terminated	Nilesh Pednekar has been appointed as Company Secretary of Axis AMC	1,347,160/-
18	Gopal Menon	CFO & COO	Salaries	Ongoing, effective till not terminated	Gopal Menon has been appointed as COO & CFO of Axis AMC with effect from 28th Oct 2015	7,036,004/-
19	Praveen Bhatt	CFO & COO	Salaries	Ongoing, effective till not terminated	Praveen Bhatt ceased to act as COO & CFO with effect from 21st Sept 2015 of Axis AMC	20,244,623/-
20	Schroders Investment Management (Singapore Limited)	Shareholder	Investment Advisory Fees (non binding sub-advise)	Ongoing, effective till not terminated	Investment Advisory (non binding sub-advise) services provided by AMC to india oriented fund of SIMPL	Based on assets for the month

for and on behalf of the Board of Directors


Director


Director

Place: Mumbai

Date: April 18, 2016

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2015 - 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

AXIS ASSET MANAGEMENT COMPANY LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AXIS ASSET MANAGEMENT COMPANY LIMITED hereinafter called "**The Company**". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the AXIS ASSET MANAGEMENT COMPANY LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **-Not Applicable**
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **-Not Applicable**
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **-Not Applicable**
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **-Not Applicable**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **-Not Applicable**
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **-Not Applicable**
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **-Not Applicable**
- vi. Other laws as may be applicable specifically to the company are annexed as **Annexure I**.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India vide its notification no. 1 (SS) dated April 23rd, 2015, effective from 1st July, 2015.
- The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange with respect to units of scheme of Axis Mutual Fund listed with exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There were no instances where any Board Member dissented to the agenda matters that were presented. All matters were approved unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has specific events / actions which is attached to the report as **Annexure II**.

For MC & Associates

Practicing Company Secretaries



MitenChawda

FCS No: 6949

C P No: 11625

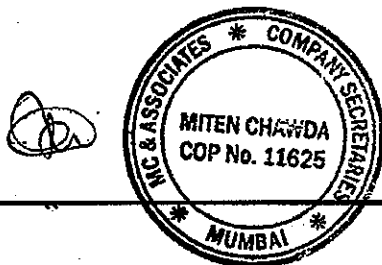
Place: Mumbai

Date: April 18, 2016

Annexure I

List of other laws applicable to the Company

1. Securities and Exchange Board of India (Mutual Funds) Regulations
2. Securities and Exchange Board of India (Portfolio Managers) Regulations
3. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations and other applicable SEBI regulations
4. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
5. Securities and Exchange Board of India (Research Analysts) Regulation 2014
6. Securities and Exchange Board of India Act, 1992
7. Securities Contracts (Regulation) Act, 1956 ('SCRA')
8. Companies Act, Rules and XBRL regulations
9. Association of Mutual Funds in India's guidelines, circulars & directives
10. The Bombay Stamp Act, 1958
11. Indian Stamp Act, 1899
12. Indian Registration Act, 1908
13. Prevention of Money-Laundering Act, 2002
14. The Depositories Act, 1996 and relevant Stock Exchange Regulations
15. Reserve Bank of India Act, 1934 and other rules, regulations and guidelines prescribed by RBI
16. Securities Transaction Tax Act
17. Foreign Exchange Management Act, 1999 (FEMA)
18. Income Tax Act, 1961
19. The Maharashtra Value Added Tax Act, 2002
20. Profession Tax Act (corporate and as applicable to branches)
21. Service Tax Act/ Rules/ Regulations
22. Patents Act, 1970
23. Trade Marks Act, 1999
24. Indian Copyright Act, 1957
25. Indian Contract Act 1872
26. Employee's Provident Funds and Miscellaneous Provisions Act, 1952



27. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
28. Shops and Establishment Act (corporate and as applicable)
29. Other laws as applicable to branches
30. Payment of Gratuity Act, 1972
31. Workmen's Compensation Act, 1923
32. Maternity Benefit Act, 1961
33. The Employees State Insurance Act, 1948
34. Competition Act, 2002
35. Information Technology Act, 2000
36. Limitation Act, 1963.





Annexure - 1

Corporate Social Responsibility Activities

[Pursuant to section 135 of the Companies Act, 2013 and rule 9 of the Companies (Accounts) Rules, 2014]

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy

The Board of Directors (Board) adopted the CSR Policy (Policy) on January 27, 2016. The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The company aims to promote literacy among the disadvantaged and differently-abled people and also financial literacy amongst consumers at large which includes consumer education and awareness as well as capacity building and skill building in various sectors of the economy. The Company promotes initiatives that preserve, restore and enhance environment, ecological balance, and natural resources. It undertakes measures to eradicate hunger, poverty and malnutrition as well as to improve sanitation, health and hygiene. The Company also aims to undertake activities to reduce inequalities faced by socially and economically backward groups. These activities may be carried out by the company on its own or through agencies/NGOs etc.

The CSR Amount was paid to Axis Foundation which in-turn will utilize the amount for payment to Pardada Pardadi Educational Society, an organization which is working towards rural development through gender empowerment since 2000 and is implementing a project on inclusive access to senior secondary education for rural girls in Anupshahr in Bulandshahr Dist. in Uttar Pradesh.

Axis Bank Foundation (ABF) was set up as a Public Trust in 2006 to carry out the Corporate Social Responsibility initiatives of Axis Bank and its group entities. The Foundation has committed itself to participate in various socially relevant endeavours on creating sustainable livelihoods by focusing on interventions related to Agricultural Practices and Farm Income, Vocational Training leading to Income and Employment and Women Empowerment. At the end of March 2015, the Foundation had 43 programs spread over 239 districts in 26 states. As of 31st March, 2015 Axis Bank Foundation had reached out to more than 5 lakh beneficiaries cumulatively.

2. The Composition of the CSR Committee of Axis AMC

Mr. Ashok Sinha – Chairman

Mr. R. K. Bammi – Independent Director

Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer

3. Average net profit of the company for last three financial years

Financial Year	Net profit as per Section 198 (Rs.)
March 31, 2013	(65,721,698.00)
March 31, 2014	16,181,317.00
March 31, 2015	85,419,862.00

4. Prescribed CSR Expenditure

The CSR Committee meeting was held on January 27, 2016 where Committee recommended Rs. 239,197 to be spent on CSR activities. This amount was accordingly spent as per recommendation of the committee.

5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year (2015-2016): Rs. 239,197
- Amount unspent, if any: - Not applicable
- Manner in which the amount spent during the financial year is detailed below

The CSR Amount was paid to Axis Foundation which in-turn will utilize the amount for payment to Pardada Pardadi Educational Society, an organization which is working towards rural development through gender empowerment since 2000 and is implementing a project on inclusive access to senior secondary education for rural girls in Anupshahr in Bulandshahr Dist. in Uttar Pradesh

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Subheads: (I) Direct expenditure on projects or programs (II) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	Axis Foundation for the onward disbursement to Pardada Pardadi Educational Society (empowerment of rural girls through holistic education)	Education	Empowerment of rural girls through holistic education Place :- Bulandshahr (Uttar Pradesh)	Rs. 239,197	Rs. 239,197 was paid to Axis Foundation for the onward disbursement to Pardada Pardadi Educational Society (empowerment of rural girls through holistic education)	Rs. 239,197	Rs. 239,197 was paid to Axis Foundation for the onward disbursement to Pardada Pardadi Educational Society (empowerment of rural girls through holistic education)

*Give details of implementing agency:

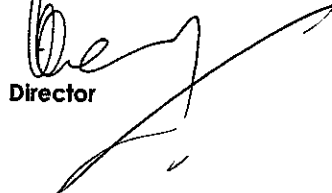
6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – Not applicable

7. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

for and on behalf of the Board of Directors


Director


Director

Place: Mumbai

Date April 18, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Asset Management Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and 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 there under.

We conducted our audit in accordance with the Standards on Auditing 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 auditors' 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.



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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 aforesaid 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 31st March, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the financial statements:

Note No. 32 of the financial statement regarding managerial remuneration paid to the Managing Director and Chief Executive Officer which is in excess of Rs. 16,570,327/-, for which the Company had made an application to the Central Government. Approval of the Central Government was received for an amount lesser than what had been applied for. In view thereof, the Company is in the process of making a fresh representation to the Central Government for re-consideration of the same.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' 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, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;



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- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Sumant Sakhardande

Partner

Membership No.034828

Place: Mumbai

Date: April 18, 2016

HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Asset Management Company Limited on the financial statements for the year ended March 31,2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, material discrepancies identified on such verification have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable properties. Accordingly, the provision stated in paragraph 3 (i) (c) of the Order is not applicable.
- (ii) The Company does not hold any inventory. Accordingly, the provision stated in paragraph 3 (ii) of the Order is not applicable.
- (iii) As informed, 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 Act. Accordingly, paragraph 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of investments, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, service tax, cess and any other material statutory dues applicable to it.
- AND
- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax and service tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.



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- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) Remuneration paid to Managing Director and Chief Executive Officer is in excess of limits prescribed under section 197 and Schedule V to the Companies Act, 2013. As regards excess remuneration paid amounting Rs. 16,570,327/-, the steps taken by the Company are as explained in Note No 32 of the financial statement.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3 (xiii) of the Order, 2016 is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Sumant Sakhardande
Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: April 18, 2016

HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Asset Management Company Limited on the financial statements for the year ended March 31, 2016]

Para 1 - Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Axis Asset Management Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Para 2 - Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 (ICAI). 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 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.

Para 3 - Auditors' 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, to the extent applicable to an audit of internal financial controls, 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 Company's internal financial controls system over financial reporting.

Para 4 - 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



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

Para 5 - 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.

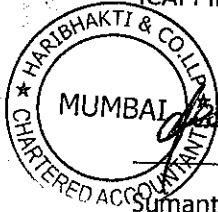
Para 6- Opinion

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, 2016, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: April 18, 2016

AXIS ASSET MANAGEMENT COMPANY LIMITED

Amount in ₹

Balance Sheet as at	Notes	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	2,101,111,120	2,101,111,120
Reserves and surplus	3	(541,130,695)	(857,520,971)
		<u>1,559,980,425</u>	<u>1,243,590,149</u>
Non-current liabilities			
Other long-term liabilities	4	195,274,300	508,469,383
Long-term provisions	5	193,045,069	127,589,800
		<u>388,319,369</u>	<u>636,059,183</u>
Current liabilities			
Short-term borrowings	6	-	446,500,000
Trade payables	7	628,968,639	591,890,631
Other current liabilities	8	14,497,708	17,612,106
Short-term provisions	5	300,089,428	191,431,601
		<u>943,555,775</u>	<u>1,247,434,338</u>
TOTAL		<u><u>2,891,855,569</u></u>	<u><u>3,127,083,670</u></u>
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		40,773,030	32,828,233
Intangible assets		18,191,903	14,205,682
Intangible assets under development		3,494,930	5,662,978
Non current investments	10	94,156,794	10,500,000
		<u>156,616,657</u>	<u>63,196,893</u>
Long-term loans and advances	11	1,111,816,298	1,767,962,309
Current assets			
Current investments	12	238,030,936	17,000,000
Trade receivables	13	146,768,196	62,355,757
Cash and cash equivalents	14	1,747,605	2,616,839
Short-term loans and advances	11	1,140,868,716	1,209,135,947
Other current assets	15	96,007,161	4,815,925
		<u>1,623,422,614</u>	<u>1,295,924,468</u>
TOTAL		<u><u>2,891,855,569</u></u>	<u><u>3,127,083,670</u></u>

Note:

Significant accounting policies

1

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

As per our report attached of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W



Sumant Sakhardande

Partner

Membership No.: 034828

For and on behalf of the Board

Shikha Sharma

Shikha Sharma
Chairperson

U R Bhat

U R Bhat
Director

Chandresh Kumar Nigam

Chandresh Kumar Nigam
Managing Director & CEO

Gopal Menon

Gopal Menon
COO & CFO

Nilesh Pednekar

Nilesh Pednekar
Company Secretary

Mumbai, April 18, 2016



Mumbai, April 18, 2016

AXIS ASSET MANAGEMENT COMPANY LIMITED

Amount in ₹

Statement of Profit and Loss for the year ended	Notes	March 31, 2016	March 31, 2015
Income			
Revenue from operations	16	3,797,431,498	2,009,286,962
Other income	17	8,018,302	47,566,082
Total Revenue		3,805,449,800	2,056,853,044
Expenses			
Employee benefits expense	18	698,554,345	492,377,719
Finance cost	19	22,900,378	443,696
Administrative and other expenses	20	2,737,437,692	1,459,203,795
Depreciation and amortization expense	9	30,167,109	19,407,972
Total Expenses		3,489,059,524	1,971,433,182
Profit before tax		316,390,276	85,419,862
Tax expense			
Current tax		67,522,747	5,755,908
MAT credit entitlement		(67,522,747)	-
Deferred tax		-	-
			5,755,908
Profit/ (Loss) after tax		316,390,276	79,663,954
Earnings per equity share (Refer to Note 26)		1.51	0.39

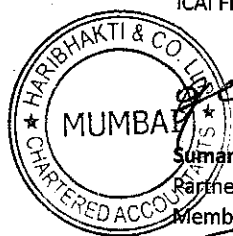
Significant accounting policies

1

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

As per our report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W

For and on behalf of the Board



Sumant Sakhardande
Sumant Sakhardande
Partner
Membership No.: 034828

Shikha Sharma
Shikha Sharma
Chairperson

U R Bhat
U R Bhat
Director

Chandresh Kumar Nigam
Chandresh Kumar Nigam
Managing Director & CEO

Gopal Menon
Gopal Menon
COO & CFO

Mumbai, April 18, 2016

Nilesh Pednekar
Nilesh Pednekar
Company Secretary



Mumbai, April 18, 2016

AXIS ASSET MANAGEMENT COMPANY LIMITED

Cash Flow Statement for the year ended	Amount in ₹	
	March 31, 2016	March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and extraordinary items	316,390,276	85,419,862
Add/ (Less): Adjustments for		
Depreciation	30,167,109	19,407,972
Interest on income-tax refund	(2,243,969)	(1,616,280)
Loss/(profit) on sale of fixed assets (net)	(32,769)	3,469
(Profit)/ Loss on sale of investments	(4,962,621)	(44,033,841)
Operating Profit before changes in assets and liabilities	339,318,026	59,181,182
Increase/ (Decrease) in Trade payables	37,078,009	106,486,469
Increase/ (Decrease) in Other Long-term liabilities	(313,195,083)	138,079,485
Increase/ (Decrease) in Provisions	174,113,096	143,816,856
Increase/ (Decrease) in Other current liabilities	(3,114,399)	10,735,167
(Increase)/ Decrease in Long-term loans and advances	68,267,230	(597,772,899)
(Increase)/ Decrease in Non-current Long-term loans and advances	748,946,001	(1,014,286,786)
(Increase)/ Decrease in Other current assets	(91,191,236)	(4,815,925)
(Increase)/ Decrease in Trade receivables	(84,412,439)	55,068,123
Cash generated from operations	875,809,205	(1,103,508,328)
Income-tax paid (net of refund)	(90,556,020)	(126,090,503)
Net cash from operating activities	785,253,185	(1,229,598,831)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(42,118,208)	(35,988,839)
Proceeds from sale of fixed assets	52,850	120
Advance for purchase of fixed assets	2,168,048	(1,727,507)
Purchase of Investments	(1,886,500,000)	(8,028,000,016)
Purchase of Non Current Investments	(83,656,794)	(10,500,000)
Proceeds from sale of investments	1,670,431,685	8,213,033,857
Net cash used in investing activities	(339,622,419)	136,817,615
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share capital - Equity & Preference	-	361,111,120
Share Premium	-	288,888,896
Dividend on preference shares	-	(2,094,246)
Tax on Preference dividend	-	(355,917)
Proceeds from short-term borrowing	114,900,000	446,500,000
Repayment from short-term borrowing	(561,400,000)	-
Net cash from/ (used in) financing activities	(446,500,000)	1,094,049,853
Net (Decrease)/ Increase in cash and cash equivalents	(869,234)	1,268,637
Cash and cash equivalents at the beginning of the year	2,616,839	1,348,202
Cash and cash equivalents at the end of the year	1,747,605	2,616,839

Note:-Cash and cash equivalents consist of balances with Bank in current account

As per our report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W

For and on behalf of the Board



Samant Sakhardande
Partner
Membership No.: 034828

Mumbai, April 18, 2016

Shikha Sharma
Chairperson

U R Bhat
Director

Chandresh Kumar Nigam
Managing Director & CEO

Gopal Menon
COO & CFO
Mumbai, April 18, 2016

Nilesch Pednekar
Company Secretary



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

Company overview

Axis Asset Management Company Limited ('the Company') was incorporated on January 13, 2009 under The Companies Act, 1956 and a limited company within the meaning of the 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 is registered with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 to act as an Investment Manager. The Company's principal activity is to act as investment managers to Axis Mutual Fund ('the Fund'). The Company manages Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated June 27, 2009.

The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (PMS).

1. Significant accounting policies

1.1 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. 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.

1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognized prospectively in the current and future periods.

1.3 Tangible fixed assets and capital advances

Tangible fixed assets are stated at their cost of acquisition less accumulated depreciation, amortization and impairment losses. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

The capital advances includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

1.4 Intangible fixed assets

Intangible fixed assets acquired separately are measured on initial recognition at cost (less cenvat credit). Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

Gain or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

1.5 Depreciation on tangible and intangible fixed assets

Depreciation is provided on the straight-line method from the date of installation/addition by using the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 (except as stated herein below).

Based on the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, and then depreciation is provided at a higher rate. Pursuant to this policy, depreciation has been provided using the following estimated useful life:

Class of assets	Estimated Useful life
Tangible fixed assets	
Computers and peripherals	3 years *
Mobile phones	2 years *
Office equipment's	5 years
Furniture and fixtures	10 years
Intangible fixed assets	
Software	3 years

*Justification for considering useful life different from part C of schedule II to the Companies Act, 2013: Management has estimated useful life of assets for server & networks and mobile phones as three years and two years respectively after taking in to consideration rapid evolution of technology and tendency of the users to opt for advanced features.

Leasehold Improvements are amortized over the primary period of the lease from the date of capitalization as per the Company's policy. The primary period of lease is defined as the term of lease or 3 years whichever is earlier.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the statement of Profit and Loss Account till the date of sale.

1.6 Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.7 Investments

Investments, which are readily realizable and intended to be held for not more than one 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 stated at lower of cost or fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of Profit and Loss Account.

Long term Investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of such Investments.

Purchase and sale of Investment is recorded on the trade date basis.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

1.8 Revenue recognition

a) Revenue from operation

Management fees are recognized on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Portfolio Management Fees are recognized on an accrual basis as per the terms of the contract with the customers.

Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract.

b) Other income

Income from sale of Investments is determined on weighted average basis and recognized on the trade date basis.

1.9 Employee benefits

a) Provident fund

The company contributes to a recognized Provident Fund scheme, which is a defined contribution scheme. The contributions are accounted for on an accrual basis and charged to statement of Profit and Loss Account.

b) Gratuity & Leave encashment

The Company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Actuarial gains/losses are immediately taken to statement of Profit and Loss Account.

1.10 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the recordings the transactions. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing rate on that date.

The exchange differences, if any, either on settlement or translation are recognized in Profit and Loss Account.

1.11 Scheme related expenses

a) Fund expenses

Expenses of schemes of Axis Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 and expenses incurred directly (inclusive of advertisement/brokerage expenses) on behalf of schemes of Axis Mutual Fund are charged to the statement of Profit and Loss Account.

b) New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to statement of Profit and Loss Account in the year in which they are incurred.

c) Brokerage

Clawbackable brokerages paid by the Company in advance is charged to the statement of Profit and Loss account over the claw-back period/tenure of the respective scheme. The unamortized portion of the clawbackable brokerage is carried forward as prepaid expense.

Upfront brokerage on closed ended and fixed tenure schemes is amortized over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortized over 3 years. The unamortized portion of the brokerage is carried forward as prepaid expense.

Any other brokerage is expensed out in the year in which they are incurred.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

1.12 Taxes on income

The tax expense comprises current tax and deferred tax.

Current tax is determined in accordance with Income Tax Act, 1961.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted before the Balance Sheet date. Deferred tax adjustments comprises of changes in the deferred tax assets and liabilities and recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is a virtual certainty of realisation of such assets. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the statement of Profit and Loss Account in the period of the change

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

1.13 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

Lease payments for assets taken on operating lease rentals are recognized as expense on a straight-line basis over the lease period.

1.14 Long Term Incentive plan (LTIP)

The company has initiated Axis AMC- Long Term Incentive plan. The points granted to employees as per the guidelines laid down in the plan, are encashable after they are held for a specified period as per the terms of the plan. Company accounts for the liability arising on points granted proportionately over the period from the date of grant till the end of the exercise window. The liability is assessed and provided on the basis of valuation carried out by an independent valuer.

1.15 Earnings per share

Company reports the basic and diluted earnings per share in accordance with AS-20, Earnings per Share notified Accounting Standard by Institute of Chartered Accountants of India. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period/year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at period/year end.

1.16 Provisions and contingencies

Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that, an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

1.17 Cash & cash equivalents

Cash and cash equivalent includes cash on hand and balances held in current accounts with scheduled banks.



AXIS ASSET MANAGEMENT COMPANY LIMITED

2. Share capital

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Authorized		
Equity Shares, ₹10/- each		
215,000,000 (Previous year 215,000,000) Equity Shares	2,150,000,000	2,150,000,000
7.28% Redeemable non convertible Preference Shares, ₹10/- each		
30,000,000 (Previous year 30,000,000) Preference Shares	300,000,000	300,000,000
Issued, subscribed and paid-up		
Equity Shares, ₹10/- each		
210,111,112 (Previous year 210,111,112) Equity Shares fully paid up	2,101,111,120	2,101,111,120
Total issued, subscribed and paid-up capital	2,101,111,120	2,101,111,120

a. Terms/ rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

b. Reconciliation of the shares outstanding at the beginning and end of the March 31, 2016

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares				
At the beginning of the year	210,111,112	2,101,111,120	174,000,000	1,740,000,000
Add: Shares issued during the year	-	-	36,111,112	361,111,120
Number of shares at the end	210,111,112	2,101,111,120	210,111,112	2,101,111,120
Preference Shares				
At the beginning of the year	-	-	-	-
Add: Shares issued during the year (7.28% Redeemable non convertible Preference Shares, ₹10/- each)	-	-	30,000,000	300,000,000
Less: Shares redeemed during the year	-	-	30,000,000	300,000,000
Number of shares at the end	-	-	-	-

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

Name of the shareholders	March 31, 2015			
	Amount in ₹	% held	Amount in ₹	% held
Axis Bank limited and its nominees, the holding company hold 157,583,333 (Previous year 157,583,333) Equity shares of ₹10 each fully paid	1,575,833,330	75%	1,575,833,330	75%
Schroder Singapore Holdings Private Limited 52,527,779 (Previous year 52,527,779) Equity Shares of ₹10 each fully paid	525,277,790	25%	525,277,790	25%
	2,101,111,120	100%	2,101,111,120	100%

d. Details of bonus shares issued, shares issued for consideration other than cash and shares bought back

Equity Shares :	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-



AXIS ASSET MANAGEMENT COMPANY LIMITED

3. Reserves and surplus

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Securities premium reserve		
Opening balance as per last financial statements	288,888,896	-
Add: Addition during the year	-	288,888,896
Closing balance	288,888,896	288,888,896
Surplus/(deficit) in statement of profit & loss		
Opening balance as per last financial statements	(1,146,409,867)	(1,223,623,658)
Profit for the year	316,390,276	79,663,954
Less : Appropriations	-	(2,094,246)
Dividend on preference shares	-	(355,917)
Tax on Preference dividend	-	-
Closing balance	316,390,276	77,213,791
	(830,019,591)	(1,146,409,867)
Total reserves & surplus	(541,130,695)	(857,520,971)

4. Other long-term liabilities

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Trade payables [Entire amount is due to the holding company]	185,994,821	501,250,832
Others		
- Provision for expenses	4,155,402	4,155,402
- Future lease rent liability	5,124,077	3,063,149
	195,274,300	508,469,383

5. Provisions

Particulars	Amount in ₹			
	Long term provisions		Short term provisions	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for expenses	-	-	57,103,268	38,034,555
Provision for employee benefits				
- Employee provident fund dues payable	-	-	2,649,458	2,227,088
- Profession tax payable	-	-	22,674	7,166
- Provision for gratuity	17,559,933	13,373,092	1,833,040	1,508,896
- Provision for leave encashment	3,508,425	1,585,947	548,055	1,508,896
- Provision for salaries and allowances	171,976,711	112,630,761	237,932,933	148,145,000
	193,045,069	127,589,800	300,089,428	191,431,601



6. Short-term borrowing

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Overdraft account facility from Axis Bank Ltd-holding company (Unsecured)	-	446,500,000
		<u>446,500,000</u>

7. Trade payables

Particulars	Amount in ₹	
	Current liabilities	
	March 31, 2016	March 31, 2015
Trade payables [Of the above ₹ 512,172,918/- due to holding company (Previous year ₹386,099,602/-)]	628,968,639	591,890,631
	<u>628,968,639</u>	<u>591,890,631</u>

8. Other current liabilities

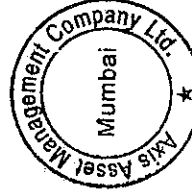
Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Interest accrued and due on borrowing	-	443,696
Future lease rent liability	2,748,829	1,792,894
Other payables		
- Withholding taxes payable	11,276,952	15,329,359
- Service-tax payable	471,926	46,157
	<u>14,497,707</u>	<u>17,612,106</u>



AXIS ASSET MANAGEMENT COMPANY LIMITED

9. Fixed assets

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	April 1, 2015	Additions	Deductions	March 31, 2016	April 1, 2015	For the year	Deductions	March 31, 2016	March 31, 2015
Tangible assets									
Computers	34,400,546	14,387,320	1,077,881	47,709,985	24,445,781	7,834,478	1,077,881	16,507,607	9,954,765
Furniture & fixtures	8,301,046	993,948	195,179	9,099,815	5,238,187	436,405	175,098	3,600,321	3,062,859
Office equipments	10,624,543	2,865,199	219,644	13,270,098	5,604,525	1,794,040	219,644	6,091,177	5,020,018
Leasehold improvements	35,576,428	9,818,351	-	45,394,779	20,785,837	10,035,017	-	14,573,925	14,790,591
a	88,902,563	28,064,818	1,492,704	115,474,677	56,074,330	20,099,940	1,472,623	40,773,030	32,828,233
Intangible assets									
Software	41,475,778	14,053,390	-	55,529,168	27,270,096	10,067,169	-	18,191,903	14,205,682
b	41,475,778	14,053,390	-	55,529,168	27,270,096	10,067,169	-	18,191,903	14,205,682
Total	130,378,341	42,118,208	1,492,704	171,003,845	83,344,426	30,167,109	1,472,623	112,038,912	47,033,915
Previous year	94,440,314	35,988,839	50,812	130,378,341	63,983,677	19,407,972	47,223	83,344,426	30,456,637



AXIS ASSET MANAGEMENT COMPANY LIMITED

10. Non-Current investments

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Non current investment		
Investment in shares		
(trade, unquoted)		
500,000 fully paid equity shares (previous year 500,000) in MF Utilities India Private Limited	500,000	500,000
Investments in mutual fund		
(trade, quoted)		
500,000.000 Units (previous year 500,000.000 Units) in Axis Fixed Income Opportunities Fund-Direct - Growth	5,000,000	5,000,000
500,000.000 Units (previous year 500,000.000 Units) in Axis Enhanced Arbitrage Fund - Direct - Growth	5,000,000	5,000,000
286,861.733 Units (previous year Nil Units) in Axis Focused 25 Fund - Direct - Growth	5,000,000	-
3,874.991 Units (previous year Nil Units) in Axis Banking Debt Fund - Direct - Growth	5,000,000	-
3,201.590 Units (previous year Nil Units) in Axis Liquid Fund - Direct Growth	5,000,000	-
277,705.046 Units (previous year Nil Units) in Axis Constant Maturity 10 Year Fund - Direct Plan - Growth	3,500,000	-
340,217.058 Units (previous year Nil Units) in Axis Dynamic Bond Fund - Direct Plan - Growth	5,000,000	-
260,145.682 Units (previous year Nil Units) in Axis Equity Fund - Direct Plan - Growth	5,000,000	-
517,512.627 Units (previous year Nil Units) in Axis Gold Fund - Direct Plan - Growth	5,000,000	-
367,555.170 Units (previous year Nil Units) in Axis Income Fund - Direct Plan - Growth	5,000,000	-
321,320.241 Units (previous year Nil Units) in Axis Income Saver - Direct Plan - Growth	5,000,000	-
197,083.169 Units (previous year Nil Units) in Axis Mid Cap Fund - Direct Growth	5,000,000	-
323,055.850 Units (previous year Nil Units) in Axis Short Term Fund - Direct Plan - Growth	5,000,000	-
3,170.064 Units (previous year Nil Units) in Axis Treasury Advantage Fund - Direct Growth	5,000,000	-
323,047.501 Units (previous year Nil Units) in Axis Triple Advantage Fund - Direct Growth	5,000,000	-
161,830.104 Units (previous year Nil Units) in Axis Long Term Equity Fund - Direct Growth	5,000,000	-
2000.000 Units (previous year Nil Units) in Gold Exchange Traded Fund	5,156,794	-
500,000.000 Units (previous year Nil Units) in Axis Equity Saver Fund- Direct Growth	5,000,000	-
500,000.000 Units (previous year Nil Units) in Axis Children Gift Fund- Direct Growth	5,000,000	-
	94,156,794	10,500,000
Repurchase price of investments in schemes of mutual fund	98,381,536	10,730,800

11. Loans and advances

Particulars	Amount in ₹			
	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured and considered good				
Capital advance for tangible fixed assets	-	-	1,418,513	478,386
Security deposits				
- Rental deposits	28,614,210	29,262,450	-	-
- Other deposits	22,200	22,200	-	-
- Advance for expenses	-	-	7,413,897	4,930,860
Prepaid expenses (Other)	196,114	250,073	7,521,470	6,163,033
Unamortized brokerage	777,004,117	1,534,447,918	1,108,552,492	1,194,448,581
Balances with statutory/ Government tax authorities	36,305,325	27,105,325	15,962,344	3,115,087
MAT credit entitlement	67,522,747	-	-	-
Advance income-tax (net of refund & provision for taxation)	202,151,585	176,874,343	-	-
	1,111,816,298	1,767,962,309	1,140,868,716	1,209,135,947

12. Current investments

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Current investment - (trade, unquoted)		
(Valued at cost or fair value, whichever is lower)		
Investments in mutual fund		
142,442.759 Units (previous year 10,966.405 Units) in Axis Liquid Fund - Direct Plan - Growth option	238,030,936	17,000,000
	238,030,936	17,000,000
Repurchase price of investments in schemes of mutual fund	239,222,372	17,009,615



13. Trade receivables

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Unsecured, considered good and outstanding for less than six months		
Other debts	146,768,196	62,355,757
	<u>146,768,196</u>	<u>62,355,757</u>

14. Cash and bank balances

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Cash on hand	-	-
Balances with bank in - current account	1,747,605	2,616,839
	<u>1,747,605</u>	<u>2,616,839</u>

15. Other current asset

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Recoverable from holding company	-	4,815,925
Recoverable from schemes	96,007,161	-
	<u>96,007,161</u>	<u>4,815,925</u>

16. Revenue from operations

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Investment management fees	3,744,229,503	1,968,420,094
Investment advisory fees - offshore	52,001,995	39,662,004
Portfolio management services	1,200,000	1,204,864
	<u>3,797,431,498</u>	<u>2,009,286,962</u>

17. Other income

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Gains on sale/ redemptions of mutual fund units	4,962,621	44,033,841
Profit on sale of fixed assets (net)	32,769	-
Miscellaneous income	3,022,912	3,532,241
	<u>8,018,302</u>	<u>47,566,082</u>



AXIS ASSET MANAGEMENT COMPANY LIMITED

18. Employee benefits expense

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Salaries & allowances	636,821,686	455,843,470
Contribution to provident funds & other funds	22,509,007	20,408,261
Other employee related Costs (Includes staff welfare, insurance, recruitment & other employee related cost)	39,223,652	16,125,988
	698,554,345	492,377,719

19. Finance Costs

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Interest	22,900,378	443,696
	22,900,378	443,696

20. Administrative and other expenses

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Scheme related expenses	2,364,953,086	1,160,204,851
PMS related expenses	121,607	70,973
Rent, rates and taxes	71,898,212	63,723,091
Establishment expenses	20,778,180	16,345,352
Communication expenses	35,779,014	21,860,726
Outsourced services cost	126,884,674	96,853,570
Legal expenses and professional fees	22,350,308	24,644,156
Travelling, lodging and conveyance	32,009,310	24,482,594
Computer and software related cost	37,422,525	29,076,359
Printing and stationery	3,681,887	2,796,157
Membership and subscriptions	3,856,634	1,499,998
Entertainment and business promotion	5,191,665	6,186,918
Brokerage for premises	687,201	1,252,084
Auditors remuneration		
- Audit fees	850,000	750,000
- Tax audit fees	425,000	400,000
- Out of pocket expenses	2,000	11,481
- Other matters	70,000	100,000
Repairs and maintenance	5,686,870	4,390,903
Directors sitting fees	2,154,000	1,670,000
Foreign exchange loss	-	303,853
Service tax expenses	1,691,493	1,539,032
Loss on sale of assets	-	3,469
CSR Contribution as per section 135 of Companies Act, 2013	239,197	-
Miscellaneous expenses	704,829	1,038,228
	2,737,437,692	1,459,203,795



AXIS ASSET MANAGEMENT COMPANY LIMITED**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016****21. Contingent liabilities – Nil****22. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided is ₹6,742,025 (Previous year ₹ 5,182,772)

23. Sundry Creditors

Sundry creditors 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) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	Amount (₹)	
	March 31, 2016	March 31, 2015
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

24. Employee benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Company has classified the various benefits provided to the employees as under:

a) Defined contribution plan**Provident fund**

The Company has recognized the following amounts in statement of Profit and Loss Account, which are included under Contributions to Provident & other funds:

Particulars	Amount (₹)	
	March 31, 2016	March 31, 2015
Employer's contribution to provident fund	15,051,813	12,045,374



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

b) Defined benefit plans

The actuarial liability of leave encashment and gratuity of the Company is given below:-

Particulars	Amount (₹)			
	Leave encashment		Gratuity	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Profit and loss account				
Net employee benefit expenses				
Current service cost	1,419,795	3,094,843	3,972,622	3,135,721
Interest on defined benefit obligation	236,737	-	1,122,026	784,716
Expected return on plan assets	-	-	-	-
Net actuarial losses/(gains) recognized in the year	(423,639)	-	1,129,653	1,347,607
Past service cost	-	-	-	-
Losses/(Gains) on "Curtailments & Settlements"	-	-	-	-
Total included in "Employee benefit expense"	1,232,893	3,094,843	6,224,301	5,268,044
Actual return on plan assets	-	-	-	-
Balance sheet				
Details of provision				
Present value of obligations	4,056,480	3,094,843	19,392,973	14,881,988
Fair value of plan assets	-	-	-	-
Unrecognized past service cost	-	-	-	-
Net liability	4,056,480	3,094,843	19,392,973	14,881,988
Amounts in balance sheet				
Liabilities	4,056,480	3,094,843	19,392,973	14,881,988
Assets	-	-	-	-
Net liability	4,056,480	3,094,843	19,392,973	14,881,988
Changes in the present value of the defined benefit obligation are as follows				
Opening defined benefit obligation	3,094,843	-	14,881,988	10,610,695
Current service cost	1,419,795	3,094,843	3,972,622	3,135,721
Interest cost	236,737	-	1,122,026	784,716
Actuarial losses/ (gains)	(423,639)	-	1,129,653	1,347,607
Past service cost	-	-	-	-
Benefits paid	(271,256)	-	(1,713,316)	(996,751)
Closing defined benefit obligation	4,056,480	3,094,843	19,392,973	14,881,988
Changes in the fair value of plan assets are as follows				
Opening fair value of plan assets	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gains/ (losses)	-	-	-	-
Assets distributed on settlements	-	-	-	-
Contributions	-	-	1,713,316	996,751
Benefits paid	-	-	(1,713,316)	(996,751)
Closing fair value of plan assets	-	-	-	-



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

Particulars	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Experience adjustments				
Experience adjustments on plan liabilities	-	-	-	-
Experience adjustments on plan assets	-	-	-	-
Actuarial (gain) loss on Obligation	-	-	-	-
Experience Adjustment	(363,662)	-	1,444,152	1,148,037
Assumption Change	(59,977)	-	(314,500)	199,570

Particulars	31-Mar-16	31-Mar-15
Principal actuarial assumptions at the balance sheet date		
Discount rate	8% p.a	7.76% p.a
Expected rate of return on plan assets	N/A	N/A
Average salary of employees	47,133 p.m.	50,535 p.m.
Salary escalation rate	9% p.a	9% p.a
Employee attrition	10% p.a	10% p.a

Leave encashment:-

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined Benefit Obligations	4,056,480	3,094,843	-	-	-
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	4,056,480	3,094,843	-	-	-
Experience adjustment :	-	-	-	-	-
Gain/ (losses) on plan liabilities	(363,662)	-	-	-	-

Gratuity:-

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined Benefit Obligations	19,392,973	14,881,988	10,610,695	9,621,243	6,520,038
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	19,392,973	14,881,988	10,610,695	9,621,243	6,520,038
Experience adjustment :	-	-	-	-	-
Gain/ (losses) on plan liabilities	1,444,152	1,148,037	(2,151,331)	(432,078)	(364,468)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



AXIS ASSET MANAGEMENT COMPANY LIMITED**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016****25. Operating leases**

The Company has entered into non-cancelable leasing arrangements for certain office and residential premises. These leases have an average life of between 3 to 9 years.

The future lease payments in respect of the above are as follows

Particulars	Amount (₹)	
	March 31, 2016	March 31, 2015
Not later than one year	32,136,511	27,993,696
Later than one year but not later than five years	105,329,245	86,073,473
Later than five years	41,429,696	46,963,081

The total lease payments recognized in the statement of Profit and Loss Account amounts to ₹ 72,413,194 (Previous year ₹ 63,687,463).

26. Earnings per share

The numerators and denominators used to calculate basic and diluted earnings per share

Particulars	Amount (₹)	
	March 31, 2016	March 31, 2015
(a) Nominal value of an Equity share (₹)	10	10
(b) Net profit available to Equity shareholders (₹)	316,390,276	79,663,955
(c) Weighted average number of shares outstanding	210,111,112	202,493,151
(d) Basic and Diluted EPS (₹) = (b)/ (c)	1.51	0.39

27. Segment reporting

The company's operations predominantly relate to providing Asset Management Services.

The company has no separate reportable business segment in accordance with the Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India.

Since companies operations are within India secondary segment reporting is not applicable.

28. Related party transactions

As per the Accounting Standard on "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

A) Holding Company	: Axis Bank Limited
B) Fellow Subsidiaries	: Axis Mutual Fund Trustee Limited
	: Axis Capital Limited
	: Axis Securities Limited
	: Axis Trustee Services Limited
	: Axis Private Equity Limited
	: Axis Bank U.K. Limited
	: Axis Finance Limited
	: Axis Securities Europe Limited
C) Key Management Personnel	: Mr. Chandresh Kumar Nigam (MD & CEO)
	: Mr. Gopal Menon (COO & CFO, With effect from 28 th Oct 2015)
	: Mr. Praveen Bhatt (COO & CFO, up to 21 st Sept 2015)
	: Mr. Nilesh Pednekar

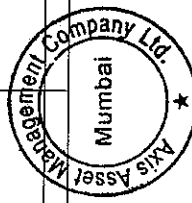
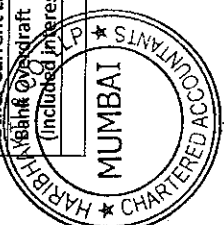


AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

Amount (₹)

Particulars	Holding Co.		Fellow Subsidiary				Total of fellow Subsidiaries	
	Axis Bank Limited		Axis Securities Limited		Axis Finance Limited		Axis Capital Ltd.	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
EXPENDITURE								
Mutual Fund-Brokerage	1,134,062,298	373,061,621	9,660,033	2,806,469			7,877,993	1,152,723
PMS FA/R&T/CCIL fees	444,296	347,883						
Bank Charges	1,335,337	872,517						
Advertisement cost	-	-	1,600,000				800,000	
Rent Expenses-Worli	31,751,484	31,751,481						
Facilities Expenses	8,372,537	8,013,612						
Outsourced services cost			123,335,130	93,115,070				
Interest on Bank OD	22,900,378	443,696						
Dividend for the year (7.28%)				698,082				1,396,164
ASSETS								
Current account balance	1,749,935	2,606,777						
[Bal. as per Bank Rs.84,00,144.29 (Previous Year Rs.64,64,627) as on March 31,2016]								
LIABILITIES								
Equity Share Capital contribution:								
Opening Balance	1,575,833,330	1,304,999,990						
Share capital infused during the year	-	270,833,340						
Share capital sold during the year	-	-						
Closing Balance	1,575,833,330	1,575,833,330						
Preference Share Capital contribution:								
Opening Balance	-	-						
Share capital infused during the year	-	-						
Share capital redeemed during the year	-	-			100,000,000			
Closing Balance	-	-			100,000,000			
Share Premium	-	-						
Opening Balance	-	-						
Share Premium on share capital infused during the year)	-	216,666,672						
Closing Balance	-	216,666,672						
Other Current Liabilities								
Bank Draft	-	-						
(Included interest accrued there on)	-	446,943,696						



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

29. Deferred tax

In the absence of virtual certainty of realization of carried forward tax losses and unabsorbed depreciation, management has not created any deferred tax assets. The same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of virtual certainty.

The Components of Deferred Tax (Liabilities)/Assets are as under:

Particulars	Amount(₹)	
	March 31,2016	March 31,2015
Deferred tax assets/(liabilities)on account of		
Depreciation	7,179,078	6,638,629
Provision for gratuity	6,711,520	1,709,217
Provision for leave encashment	1,403,867	1,004,122
Provision for employee benefit	97,136,596	18,201,645
Future lease rent liability	1,044,076	539,848
Brokerages	(366,593,923)	(423,646,868)
Carry forward Loss	538,161,628	719,497,680
Total	285,042,841	323,944,273
Restricted to	NIL	NIL
Net deferred Tax assets/(liabilities)	NIL	NIL

30. Additional information pursuant to the provisions of Schedule III to the Companies Act,2013 is given below:

- Income from Foreign Currency- ₹52,001,995/- (Previous year: ₹39,662,004)
- Payments in foreign currency

Particulars	Amount(₹)	
	March 31,2016	March 31,2015
Travelling , lodging and conveyance	995,650	971,333
Scheme expenses	Nil	677,160
Scheme expenses Marketing	724,455	Nil
Data online, Computer &Software related cost	751,197	774,549
Total	2,471,302	2,423,042

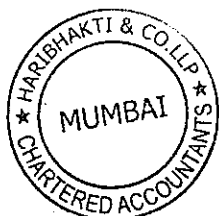
31. The Company is required under section 135 of the Companies Act, 2013 to spend Rs.239,197/- towards activities under Corporate Social Responsibilities. The company has spent the entire amount during the year.

32. Members of the Company in their meeting held on April 26, 2013 approved the appointment of Mr. Chandresh Kumar Nigam as Managing Director and Chief Executive Officer of the Company for a period of 5 years w.e.f. May 1, 2013 to April 30, 2018 and also approved the terms and conditions including the remuneration payable to the Managing Director and Chief Executive Officer. Remuneration payable to the Managing Director and Chief Executive Officer for the FY 2015-16 was approved by the members of the company, at their meeting held on May 25, 2015.

The approved remuneration payable is in excess of the limits prescribed under section 197 and Schedule V to the CompaniesAct,2013.

The company made an application to the Central Government on August 21, 2015 under the provisions of sections 196, 197, 200, 201(1),203(1) of the Companies Act 2013 and other applicable provisions / laws, as applicable, seeking approval for the Payment of remuneration exceeding the limits provided in Schedule V.

The remuneration, in excess of the limits prescribed under the Companies Act, 2013, for the year ended March 31, 2016 amounts to Rs.16,570,327/-.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2016

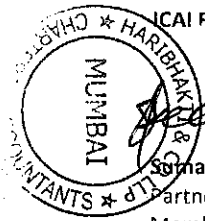
Vide its letter SRN No. C61907150/ 2015 - CL-VII dated April 7, 2016, the Central government has approved the payment of remuneration for the financial year 2015-16.

This approval is for an amount lesser than that applied for by the Company. As the amount approved for FY 2015-16 is even lesser than that approved for FY 2014-15, in spite of the significant growth in revenue and profitability, the Company is in the process of making a fresh representation to the Central government to reconsider the remuneration to the Managing Director and CEO, pending which no adjustments have been made in the accounts

33. Figures have rounded off to the nearest rupee and previous year figures have been regrouped recast and restated wherever necessary.

As per our report attached of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W



Santosh Sakhardande
Santosh Sakhardande
Partner
Membership No.034828

Mumbai, April 18, 2016

For and on behalf of the Board

Shikha Sharma
Shikha Sharma
Chairperson

Gopal Menon
Gopal Menon
COO & CFO

Mumbai, April 18, 2016

U R Bhat
U R Bhat
Director

Nilesh Pednekar
Nilesh Pednekar
Company Secretary

Chandresh Kumar Nigam
Chandresh Kumar Nigam
Managing Director & CEO

