

**DEAR MEMBERS**

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report of Axis Securities Limited (the Company) along with the Audited Financial Statements for the financial year ended March 31, 2019.

**FINANCIAL PERFORMANCE:-**

During the year, the Company achieved a total income of Rs. 108,132/- lakhs.

The highlights of the financial results of your Company for the year ended March 31, 2019 are given below:

(Figures in lakhs)

Particulars	2018-19 (Rs.)	2017-18 (Rs.)
Revenue from operations	19,028	20,086
Other income	816	790
<b>Total Income</b>	<b>19,844</b>	<b>20,876</b>
Operating Expenses	14,230	13,685
<b>Profit/(Loss) before Depreciation &amp; provisions for tax</b>	<b>5,614</b>	<b>7,191</b>
Depreciation	1063	976
Provisions for Tax	1,624	2,279
<b>Profit for the year from continuing operation</b>	<b>2,927</b>	<b>3,936</b>
<b>Discontinued operations</b>		
Profit before tax for the year from discontinued operations	6,693	3,273
Tax income/ (expense) of discontinued operations	2,408	1,205
Deferred tax	50	118
<b>Profit for the year from discontinued operations</b>	<b>4,335</b>	<b>2,186</b>
<b>Profit for the year</b>	<b>7,262</b>	<b>6,123</b>
<b>Other comprehensive income</b>	<b>189</b>	<b>(56)</b>
<b>Total comprehensive income for the year</b>	<b>7,451</b>	<b>6,067</b>

**BUSINESS OVERVIEW & REVIEW OF OPERATIONS:-**

In Financial Year 2018-19 Retail Broking has achieved overall revenue of Rs. 19,844 lakhs which is flat as compared to Rs. 20,876 lakhs in Financial Year 2017-18 and acquired 2.57 Lakhs customers.

Retail Assets did a total business of Rs. 39,550 crores in Financial Year 2018-19, the details of which are as follows:

Sr. No.	Product	FY 2017-18	FY 2018-19	% Growth	Contribution
		(Rs. in crores)	(Rs. in crores)		
1.	Home Loan	12,607.04	13,365.50	6%	50%
2.	Loan Against Property	4,388.22	4,556.27	4%	50%
3.	Personal Loan	8,104.33	8,387.77	3%	46%
4.	Auto Loan	7,501.87	9,712.62	29%	83%
6.	Credit Card (in numbers)	1285609	1550582	21%	-
7.	SBB	3,515.27	3,527.95	0%	-

The Company continues to provide good support to the overall Retail Assets business of Axis Bank Limited. The Home Loans contribution stands at 50%, Loan against Property at 50%, Personal Loans (excluding digital) at 46% and Auto Loans contribution is at 83%.

The Credit Card business has grown by 21% in the number of cards issued to 15,50,582 customers in Financial Year 2018-19 as compared to 12,85,609 customers in Financial Year 2017-18. Auto Loan business has shown a YoY growth of 29% with Rs. 9712.62 crores disbursed in Financial Year 2018-19 as compared to Rs. 7,501.87 crores in Financial Year 2017-18.

**DIVIDEND:-**

During the financial year 2018-19, the Board of Directors recommended at the rate of Re. 2.3 per equity share of Rs. 10/- each, absorbing a sum of Rs. 33,23,50,000/- towards dividend amount and Rs. 6,76,58,640/- towards Dividend Distribution Tax.

The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.

**GENERAL RESERVE:-**

The Company in accordance with Section 123 of the Companies Act, 2013 ("the Act"), has transferred a sum of Rs. 7,75,00,000/- to the General Reserve account.

**DISCONTINUATION OF OPERATIONS:-**

During the year, Axis bank had approached the Company with a plan to restructure existing retail assets business process that can lead to better synergy and cost efficiency. On March 28, 2019, both Axis Bank Ltd. and the Company had mutually taken decision to exit Non Broking business pertaining to retail assets, credit cards, resource management services etc. services offered by the Company to Axis Bank.

**MATERIAL CHANGE AND COMMITMENT:-**

In terms of the information required under sub-section (3)(l) of Section 134 of the Act, it is to be noted that no material changes and commitments, affecting the financial position of the Company has occurred between the end of the Financial Year of the Company to which the Financial Statements relate and to the date of the Directors Report.

**ANNUAL RETURN:-**

The Annual Return of the Company for the said financial year as required under Section 92 of the Companies (Amendment) Act, 2017 is available on the website of the Company at <https://simplehai.axisdirect.in/aboutus> and the same is enclosed as

**Annexure-A****DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:-**

In terms of the information required under Section – 134 of the Act and Clause – 8 of the Companies (Accounts) Rules, 2014 it is to be noted that there is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK:-**

Risk Management is a key function in a Stock Broking Company. Real-time monitoring of overall exposure of the Company is required from the point of view of Risk Control. In volatile markets, robust Risk Management policies are must.



The Company has adopted a comprehensive Risk Management Policy identifying various elements of risks, risk parameters and risk containment measures. The Company has automated risk management systems in place. The risk system monitors various trades and positions of the clients on real-time basis with the help of real time data feeds from Exchanges. The system also generates automated alerts in case of specified events based on the set parameters. A dedicated risk team monitoring the risk systems acts promptly on such alerts. The above risk processes have been put in place for Equities, Derivatives, Commodities and Currencies etc.

Client defaults in paying up the losses arising out of client positions poses significant risk, which in the opinion of the Board may threaten the existence of the Company. Other identified risks are system malfunction, Internal as well as external frauds, adverse regulatory action against the Company etc.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:-**

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and protected adequately.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. A yearly presentation on Internal Financial Control Systems is presented to Audit Committee of the Board.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:-**

The Company has adopted the code of conduct for employee, customers, vendors and also for its directors for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company.

The Company has also in place a Whistleblower Policy ('the Policy') which aims to set up a mechanism that enables employees to report about actual or potential illegal



and/or unacceptable practices. The policy is designed to enable employees, to raise concerns to Whistleblower Committee, without revealing his/her identity, if he/she chooses to do so and to disclose information which the individual believes, shows malpractice or wrongdoing which could affect the business or reputation of the Company.

The Policy is to provide framework for an effective vigil mechanism and to provide protection to employees, customers, vendors or directors reporting genuine concerns.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities to the Whistle Blower Committee by sending the members an email on [whistleblower@axissecurities.in](mailto:whistleblower@axissecurities.in)

#### **BOARD OF DIRECTORS, MEETINGS, EVALUATION ETC.:-**

##### **Board of Directors:-**

During the year under review, none of the Directors has either being appointed or has resigned from the Board of the Company.

Mr. Jagdeep Mallareddy, Director (DIN: 07492539) retires by rotation and, being eligible, offers himself for re-appointment.

##### **Board Meetings:-**

During the year under review, the Board of Directors (hereinafter called as the "BOARD") met for five times viz. 10.04.2018, 18.07.2018, 16.10.2018, 22.01.2019 and 28.03.2019:

The details of the attendance of the Board are as follows:

<b>Name of the Director</b>	<b>Number of Board Meetings Entitled to Attend</b>	<b>Number of Meetings Attended</b>
Mr. Rajiv Anand	5	4
Mr. Ramesh Kumar Bammi	5	5
Mr. Babu Rao Busi	5	5
Ms. Nithiya Easwaran	5	4
Mr. Jagdeep Mallareddy	5	5
Mr. Arun Thukral	5	5
Mr. Anand Kumar Saha	5	5

**COMMITTEES OF THE BOARD**
**I. AUDIT COMMITTEE**

During the year under review, the Audit Committee met five times viz: 10.04.2018, 18.07.2018, 16.10.2018, 22.01.2019 and 28.03.2019.

The details of the attendance of the Audit Committee Members are as follows:

Name of the Member	Number of Audit Committee Meetings Entitled to Attend	Number of Meetings Attended
Ms. Nithiya Easwaran	5	4
Mr. Babu Rao Busi	5	5
Mr. Jagdeep Mallareddy	5	5

**II. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

During the year under review, the Nomination and Remuneration Committee met one time viz: 10.04.2018.

The details of the attendance of the NRC Members are as follows:

Name of the Member	Number of Nomination and Remuneration Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Babu Rao Busi	1	1
Mr. Rajiv Anand	1	1
Ms. Nithiya Easwaran	1	1

**III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

During the year under review, the CSR Committee met two times viz: 18.07.2018 and 22.01.2019.

The details of the attendance of the CSR Committee Members are as follows:

Name of the Member	Number of CSR Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Ramesh Kumar Bammi	2	2
Ms. Nithiya Easwaran	2	2
Mr. Jagdeep Mallareddy	2	2
Mr. Arun Thukral	2	2

#### IV. RISK MANAGEMENT COMMITTEE (RMC)

During the year under review, the Risk Management Committee met four times viz: 09.04.2018, 17.07.2018, 15.10.2018 and 22.01.2019.

The details of the attendance of the RMC Members are as follows:

Name of the Member	Number of Board Meetings Entitled to Attend	Number of Meetings Attended
Mr. Jagdeep Mallareddy	4	4
Mr. Arun Thukral	4	4
Mr. Anand Kumar Shaha	4	4

The intervening gap between the Meetings was within the period prescribed under the Act.

#### Annual Evaluation:-

**The Formal Annual Evaluation has been made as follows:-**

Independent Directors of the Company namely Mr. Babu Rao Busi (DIN: 0425793) and Ms. Nithya Easwaran (DIN: 03605392), evaluated the performance of the Board as well as non – Independent Directors of the Company such as Mr. Rajiv Anand (DIN: 02541753), Mr. Jagdeep Mallareddy (DIN: 07492539), Mr. Ramesh Kumar Bammi (DIN: 03411046), Mr. Arun Thukral (DIN: 03043072) and Mr. Anand Kumar Shaha (DIN: 02421213), without the attendance of such non – Independent Directors and members of the Management, in a separate meeting of Independent Directors held on February 07, 2019.

The Board of Directors of the Company in its meeting held on April 12, 2019 evaluated the performance of the Independent Directors of the Company namely Mr. Babu Rao Busi and Ms. Nithya Easwaran without the presence of such Independent directors at the time



of their evaluation. Furthermore, the Nomination & Remuneration Committee and the Board evaluated the performance of various Committees of the Board such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, the performance of Individual Non-Executive Directors and the Chairman of the Company. The Nomination & Remuneration Committee also evaluated the effectiveness of the Board.

**Declaration by Independent Director:-**

The Company has received the declarations from its Independent Directors that they meet the Criteria of Independence as laid down under Section 149(6) of the Act.

**Key Managerial Personnel:-**

During the year under review, no Key Managerial Personnel has either appointed or resigned from the Company.

**SHARE CAPITAL:-**

During the year, there was no change in the Authorised, Issued, Subscribed and Paid – up Share Capital of the Company.

**PUBLIC DEPOSITS:-**

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and Section 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOWS:-**

Information as per Section 134(3)(m) of the Act relating to the Conservation of Energy and Technology Absorption is not given since the Company is not engaged in any manufacturing activity.

During the year under review, the Company has spent Rs. 75,91,996 (Rupees Seventy Five Lakhs Ninety One Thousand Nine Hundred and Ninety Six only) in foreign exchange towards technology and other expenses. The Company has not earned any foreign exchange. The details of the Foreign exchange outflow are enclosed in

**Annexure - B.**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION- 186:-**

Pursuant to Section 134(3)(g) of the Act, the Company has not given any Loan, Guarantee or made Investment under Section 186 of the Act.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SUB – SECTION (1) OF SECTION 188**

Information as per Section 134(3)(h) of the Act relating to the particulars of Contracts or Arrangements with Related Parties under Sub – Section (1) of Section 188 is as mentioned below:-

All Related Party Transactions that were entered into during the financial year were on arm's 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 placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions are placed before the Audit Committee.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company. The disclosure of particulars of contracts/arrangements entered into by the Company with related parties pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC – 2 is enclosed herewith as **Annexure - C**.

**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:-**

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:-**

The Company recognized the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its clients, employees, society and other stakeholders. The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community.

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules there under. The policy shall apply to all CSR programs undertaken/sponsored by the Company, executed through itself, its Holding Company's Axis Bank Foundation or through any other Trust/NGO.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed/undertaken projects namely (i) KABIL and (ii) Consumer Protection Services. Project Kabil was directed towards the following:

1. Improving the income of household by implementation of different rural livelihood interventions with two indicators:
  - a) Participating Households would be earning at least INR 75,000 pa at project level by the end of the project period.
  - b) No participating Households would be earning less than INR 36,000 pa by the end of the project period.
2. Enhance technical knowledge of farmers in modern agriculture and allied activities;
3. Develop entrepreneurs from the local community for market linked livelihood development for sustainability;
4. Access government funds to livelihood activities.

KABIL project was done through Axis Bank Foundation. The said project is in accordance with Schedule VII of the Act. Project on Consumer Education programs was undertaken by the Company towards creating awareness amongst investors across India.

During the year under review, the Company has spent Rs. 15,103,336 (Rupees One Crore Fifty One Lakhs Three Thousand Three Hundred and Thirty Six Only) towards CSR activity undertaken. For detailed report refer **Annexure – D**.



**POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE:-**

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Act read along with the applicable rules thereto as amended from time to time. The policy shall apply to all Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management. The Policy laid down the roles of the Committee, criteria for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key Managerial Personnel, Senior Management and other employees, etc. The policy is available on the website of the Company at:

<https://simplehai.axisdirect.in/images/RegulatoryDisclosure/Policies/NominationRemunerationPolicy.pdf>

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:-**

The Company has in place a policy for Prevention, Prohibition & Redressal of Sexual Harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder.

All employees are covered under this policy. The Company has constituted an Internal Complaint Committee for its Head office and branches/Sales offices under Section 4 of the captioned Act.

The details of the number of complaints filed and resolved during the year are as under:-

a.	Number of complaints received during the year (2018-19)	:	14
b.	Number of complaints disposed off during the year	:	13
c.	Number of cases pending for more than 90 days	:	Nil
d.	Number of workshops or awareness programs carried out against sexual harassment	:	Organized workshops & awareness programs at regular intervals.

\* Investigation of 1 case is under process.

**DIRECTORS RESPONSIBILITY STATEMENT:-**

Pursuant to sub-section (5) of Section 134 of the Act, the Board of Directors of the Company hereby state and confirm that:

- i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.
- ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year ended March 31, 2019.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts of the Company have been prepared on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**COMPLIANCES:-**

The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, Inter alia, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

**AUDITORS:-****i. Statutory Auditors:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company has re-appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 12<sup>th</sup> Annual General Meeting until the conclusion of the 17<sup>th</sup> Annual General Meeting of the Company.



The Company has received the certificate of eligibility criteria under Section 141 from the Statutory Auditors.

Also, pursuant to the notification issued by MCA dated May 7, 2018, the requirement of ratifying the appointment of Statutory Auditors in every Annual General Meeting is done away.

**ii. Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. BNP & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year under review. The Report of the Secretarial Audit Report is annexed herewith as **Annexure - E**.

**iii. Internal Auditors:-**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has re-appointed M/s. Chaturvedi & Co, Chartered Accountants to undertake the Internal Audit of the Company for the financial year under review.

**CORPORATE GOVERNANCE:-**

The Company's policy on Corporate Governance is as under:

- i. To enhance the long term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the applicable regulatory requirements, thereby safeguarding the interest of its other stakeholders such as customers, employees, creditors and vendors.
- ii. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented.
- iii. To also identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.

**FUTURE OUTLOOK:-**

**Retail Broking:**

Indian markets have made a remarkable recovery in second half of quarter 4 of Financial Year 2018-19 following the liquidity inflows on the back of easing measures



taken by the central banks of developed countries and improvement in perception giving higher probability for continuity of current regime at the centre post general elections in May, 2019. Foreign flows, which ended the year 2018 with net outflows of USD 4.8 billion, changed into inflows of USD 6 billion at the end of quarter ending March, 2019. The gush of liquidity overshadowed the uncertainty related to lingering US-China trade talks and Brexit.

The weather agencies have guided for 'below normal' monsoon in 2019 on account of developing El Niño in the Pacific Ocean, which poses higher risk of deficient rains for the eastern parts and a major portion of central India; the probabilities of El Niño has now increased considerably to 80% through March, 2019-May, 2019 with a gradual decline in June/July thereby delaying the onset of rains. The savior factor could be Indian Ocean Dipole (IOD) which is likely to be in the neutral or positive phase during the monsoon and possibly would support rainfall during the second half of Monsoon 2019. Crude oil trading close to \$70/bbl is also a concern though the appreciated INR (on account of heavy FII inflows) has offset the impact of rising crude oil prices on the twin deficits.

Quarter 4, Financial Year 2018-19 result season, outcome of general elections and outlook for monsoon would be the next triggers for the Indian markets. Stable government at centre and well distributed monsoon could maintain the buoyant sentiments in the markets; more reforms to strengthen the economy could be on cards if the current regime continues. Overall corporate earnings are expected to grow at mid to high teens over next two years driven by consumption led demand; good monsoon with well distributed rains would support the demand led consumption. Improvement in corporate earnings would be keenly watched upon along with the domestic liquidity scenario and global risk appetite.

#### **AWARDS & RECOGNITION:-**

During the year, the Company received several accolades for its initiatives. During the year, the Company has been awarded the following:

- i. BSE Commodity Equity Outlook Award for Top Equity Broker of the Year -2018
- ii. 7th ACEF Global Customer Engagement Award 2018 for Best Marketing Innovation.

The achievements of the Company during the year under review are as follows:

- i. It became the 1st bank led broker to launch Commodities Trading;
- ii. It received the least number of complaints by Exchanges vis-a-viz the competitors;
- iii. Negligible amount of bad-debts emanated from the Broking Activities.



### SECRETARIAL STANDARDS:-

During the year under review, the Company has complied with the applicable Secretarial Standard issued by Institute of Company Secretaries of India.

### ACKNOWLEDGEMENT:-

Your Directors would like to express their gratitude for all the guidance and co-operation received from its holding company - Axis Bank Limited. Your Directors would like to place on record their gratitude to the esteemed Clients, Bankers, Financial Institutions, Suppliers, Advisors, Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE), BSE Limited (BSE), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Ministry of Corporate Affairs, Central, Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), Metropolitan Stock Exchange of India Limited (MSEI), Insurance Regulatory and Development Authority (IRDA), State and Local Government Departments for their continued support and cooperation.

The Directors also express their warm appreciation to all the employees of the Company for their diligence and contribution.

### For and on Behalf of the Board of Directors

**ARUN THUKRAL**

Managing Director & CEO

**DIN:** 03043072

**Address:** Flat No. 1002, 10th Floor, B Wing,  
Metropolis, J. P. Road, Opposite  
Gurudwara, Four Bungalows,  
Andheri (West), Mumbai 400053

**ANAND KUMAR SHAHA**

Wholetime Director

**DIN:** 02421213

**Address:** Flat No.2102, 21st Floor,  
Ramona, Tower - 3, Runwal Anthurium,  
LBS Marg, Near Veena Nagar, Mulund  
Mumbai 400080

Place: Mumbai

Date : April 12, 2019

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2019**

[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	:	U74992MH2006PLC163204
ii.	Registration Date	:	21/07/2006
iii.	Name of the Company	:	Axis Securities Limited
iv.	Category / Sub-Category of the Company	:	Public Unlisted Company
v.	Address of the Registered office and contact details	:	Axis House, 8 <sup>th</sup> Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India. Telephone No - 022 24252009 Email id - <a href="mailto:lovelina.faroz@axissecurities.in">lovelina.faroz@axissecurities.in</a>
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi- 500 032, India Telephone No - +91 040 67162222

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Business Sourcing & Resource Management	99831130	81.65%
2.	Brokerage on Securities	99715210	18.35%



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	<b>Axis Bank Limited</b> Trishul, 3 <sup>rd</sup> Floor, Opp Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006	L65110GJ1993PLC020769	Holding	99.999958%	2(46)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category - wise Share Holding**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	---	---	---	---	---	---	---	---	---
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	---	---	---	---	---	---	---	---	---
e) Banks / FI	144,499,934	6	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
f) Any Other...	---	---	---	---	---	---	---	---	---
<b>Sub-total (A) (1):-</b>	144,499,934	6	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
<b>(2) Foreign</b>									
a) NRIs – Individuals	---	---	---	---	---	---	---	---	---
b) Other – Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
<b>Sub-total (A) (2):-</b>	---	---	---	---	---	---	---	---	---
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	144,499,934	6	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks/ FI	---	---	---	---	---	---	---	---	---

c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt (s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1):-</b>	---	---	---	---	---	---	---	---	---
<b>2. Non-Institutions</b>									
a) Bodies Corp.	---	---	---	---	---	---	---	---	---
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	60	60	0.000042%	60	---	60	0.000042%	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	---	---	---	---	---	---	---	---	---
c) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(2):-</b>	---	60	60	0.000042%	60	---	60	0.000042%	---
Total Public Shareholding (B)=(B)(1)+ (B)(2)	---	60	60	0.000042%	60	---	60	0.000042%	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	144,499,934	66	144,500,000	100%	144,500,000	---	144,500,000	100%	---

**ii. Share Holding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Axis Bank Limited	144,499,940	99.999958%	---	144,499,940	99.999958%	---	---
	<b>Total</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>---</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>---</b>	<b>---</b>

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

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

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
1.	At the beginning of The year	40	0.000028%	40	0.000028%
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	<b>19/12/2018</b> <b>*10 equity shares</b> held by Mr. Srinivasan Varadarajan were transferred to Mr. Rudrapiyo Roy	0.000007%	10	0.000007%
3.	At the End of the year (or on the date of separation, if separated during the year)	40	0.000028%	40	0.000028%

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
1.	At the beginning of The year	20	0.000014%	20	0.000014%
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	---	---	---	---
3.	At the End of the year	20	0.000014%	20	0.000014%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-		-	
i) Principal Amount		24,68,40,821		24,68,40,821
ii) Interest due but not paid		3159179		3159179
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	<b>25,00,00,000</b>	-	<b>25,00,00,000</b>
<b>Change in Indebtedness during the financial year</b>	-			
• Addition		25,00,00,000		25,00,00,000
• Reduction		50,00,00,000		50,00,00,000
<b>Net Change</b>	-	<b>(25,00,00,000)</b>		<b>(25,00,00,000)</b>
<b>Indebtedness at the End of the financial year</b>	-			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:  
(Figures in Rs.)

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Arun Thukral, Managing Director & CEO	Anand Kumar Shaha, Whole Time Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1,85,11,682	80,15,250	2,65,26,932
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as %of profit - others, specify...			
5.	Others, please specify			
	Total (A)	1,85,11,682	80,15,250	2,65,26,932
	Ceiling as per the Act	5 % of the net profit	5 % of the net profit	10% of the net profit

## B. Remuneration to other directors:

(Figures in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Rajiv Anand	Babu Rao Busi	Nithya Easwaran	Ramesh Kumar Bammi	Jagdeep Mallareddy	
1.	Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending Board &amp; Committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	---	5,50,000	5,50,000		---	11,00,000
	Total (1)	---	5,50,000	5,50,000		---	11,00,000
2.	Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	---	---	---	3,50,000	---	3,50,000
	Total (2)	---	---	---	3,50,000	---	3,50,000
	Total (B)=(1+2)	---	5,50,000	5,50,000	3,50,000	---	14,50,000
	Total Managerial Remuneration	---	5,50,000	5,50,000	3,50,000	---	14,50,000
	Overall Ceiling as per the Act	---	---	---	---	---	1% of the net profit


C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD  
(Figures in Rs.)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Lovelina Faroz, Company Secretary	Mr. Hemant Patel, CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	14,65,844	52,53,488	<b>67,19,332</b>
2.	Stock Option	-			
3.	Sweat Equity	-			
4.	Commission - as % of profit - others, specify...	-			
5.	Others, please specify	-			
	<b>Total</b>	-	14,65,844	52,53,488	<b>67,19,332</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Axis Securities Limited



**ARUN THUKRAL**

Managing Director & CEO

**DIN:** 03043072

**Address:** Flat No. 1002, 10th Floor, B Wing, Metropolis, J. P. Road, Opposite Gurudwara, Four Bungalows, Andheri (West), Mumbai 400053



**ANAND KUMAR SHAHA**

Wholetime Director

**DIN:** 02421213

**Address:** Flat No.2102, 21st Floor, Ramona, Tower - 3, Runwal Anthurium, LBS Marg, Near Veena Nagar, Mulund Mumbai 400080

Place: Mumbai

Date: April 12, 2019

**PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS**

Name of the Party	Particulars of purpose	Amount of Outflow (in Rupees) FY 2018-19
Logmein India Limited	Membership and subscription	37,96,125
Screener	Membership and subscription	15,081
Shutter Stocks	Membership and subscription	6,07,196
Apnic Pty Ltd Australia	Membership and subscription	90,411
Hyperoffice	Membership and subscription	85,020
CHART IQ	Membership and subscription	4,72,680
Cozmo Travels	Sales Promotion	25,25,483
<b>Total</b>		<b>75,91,996</b>

**For Axis Securities Limited**

**ARUN THUKRAL**

Managing Director &amp; CEO

**DIN:** 03043072

**Address:** Flat No. 1002, 10th Floor, B Wing,  
Metropolis, J. P. Road, Opposite  
Gurudwara, Four Bungalows,  
Andheri (West), Mumbai 400053


**ANAND KUMAR SHAHA**

Wholetime Director

**DIN:** 02421213

**Address:** Flat No.2102, 21st Floor,  
Ramona, Tower - 3, Runwal Anthurium,  
LBS Marg, Near Veena Nagar, Mulund  
Mumbai 400080

Place: Mumbai

Date : April 12, 2019

**FORM AOC - 2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub - section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

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

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

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

a)	Name (s) of the related party and nature of relationship	:	1. Axis Finance Limited (Group Company) 2. Axis Asset Management Company Limited (Common director / Group Company) 3. Axis Bank Limited (Holding Company) 4. Axis Capital Limited (Group
----	--	---	---



			Company)
b)	Nature of contracts/arrangements/transactions	:	1. Availing and Rendering of services 2. Availing and Rendering of services 3. Availing and Rendering of services & Sale, Purchase or supply of any goods or materials 4. Availing and Rendering of services
c)	Duration of the contracts / arrangements / transactions	:	1. Continuous 2. Continuous 3. Continuous 4. Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	1. Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	10.04.2018 & 28.03.2019
f)	Amount paid as advances, if any	:	NIL

For Axis Securities Limited




**ARUN THUKRAL**

Managing Director & CEO

**DIN:** 03043072

**Address:** Flat No. 1002, 10th Floor, B Wing,  
Metropolis, J. P. Road, Opposite  
Gurudwara, Four Bungalows,  
Andheri (West), Mumbai 400053



**ANAND KUMAR SHAHA**

Wholetime Director

**DIN:** 02421213

**Address:** Flat No.2102, 21st Floor,  
Ramona, Tower - 3, Runwal Anthurium,  
LBS Marg, Near Veena Nagar, Mulund  
Mumbai 400080

Place: Mumbai

Date : April 12, 2019

**Annual Report on CSR Initiatives Pursuant to Section 135 of the Act & Rules made thereunder**

1.	Brief Outline of the CSR Policy	:	The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community. For detailed policy, please refer our website <a href="http://www.axissecurities.in">www.axissecurities.in</a>
2.	The Composition of the CSR Committee	:	Mr. Ramesh Kumar Bammi (Chairman) Mr. Arun Thukral (Member) Mr. Jagdeep Mallareddy (Member) Ms. Nithya Easwaran (Member- Independent Director)
3.	Average Net Profit of the Company for last 3 financial years	:	Rs. 754,606,124
4.	The Prescribed CSR expenditure (2% of amount)	:	Rs. 15,092,122
5.	Details of CSR activities/projects undertaken during the year:		
	a. Total amount to be spent for the financial year	:	Rs. 15,092,122
	b. Amount unspent, if any	:	NIL
	c. Manner in which the amount spent during the financial year	:	Annexure D.1
6.	Reason for not spending the amount	:	NA
7.	Responsibility statement by the CSR Committee that the CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company	:	The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

**Annexure D.1**

c. Manner in which the amount spent during the financial year is detailed below:

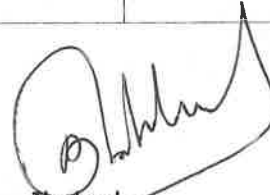
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	Consumer Education and Awareness Programs	Consumer Protection Services	Pan India	Rs. 1,710,300	Rs. 1,721,514	Rs. 1,721,514	Direct
2	Rural Livelihood Mission	Livelihood enhancement projects	Assam	Rs. 13,381,822	Rs. 13,381,822	Rs. 15,103,336	Through Implementing Agency



**Ramesh Kumar Bammi**  
**Chairman, CSR Committee**  
**DIN: 03411046**

**Address:** S 285, Third Floor, Greater Kailash, Part 2, New Delhi 110048

Place: *New Delhi*  
 Date: *8-5-2019*



**Arun Thukral**  
**Managing Director & CEO**  
**DIN: 03043072**

**Address:** Flat No. 1002, 10th Floor, B Wing, Metropolis, J.P. Road, Opposite Gurudwara, Four Bungalows, Andheri (West), Mumbai 400053

Place: Mumbai  
 Date: April 12, 2019



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Axis Securities Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Axis Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

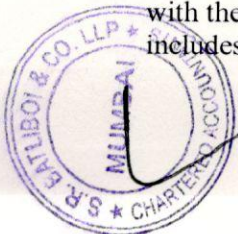
**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for





**Axis Securities Limited****Auditor's report for the year ended 31 March 2019****Page 2 of 9**

safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Ind AS financial statements,





**Axis Securities Limited****Auditor's report for the year ended 31 March 2019****Page 3 of 9**

including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:





**Axis Securities Limited**


**Auditor's report for the year ended 31 March 2019**

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: April 12, 2019



**Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date****Re: Axis Securities Limited ("the Company")**

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company holds securities in dematerialized form. The Company is maintaining proper records for securities held as stock in trade and no material discrepancies were noticed on comparing the statement from custodian and physical shares with book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods & services tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods & services tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.





- (vii)(c) According to the records of the Company, the dues of income-tax, goods and service tax, and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount** (Rs)	Period to which the amount relates	Forum where the dispute is pending
Stamp Duty Act of State Madhya Pradesh	Stamp Duty	18,13,193	2011-12	Collectors of stamps Indore (Madhya Pradesh)
Income Tax	Penalty	4,51,234	2010-11	Commissioner of Income tax
Income Tax	Penalty	2,79,94,887	2013-14	Commissioner of Income tax

As informed, provision of sales tax, customs duty, wealth tax and excise duty are currently not applicable to the company

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of commercial papers for the purposes for which they were raised.
- (x) We have been informed that there have been instances of frauds by certain employees of the Company cumulating to Rs. 1,04,78,353 in respect of selling of third party's financial products. The Company has since terminated the services of these employees. As informed to us by the management, the third party has recovered Rs. 42,31,227 and is liable to bear the balance loss of Rs. 62,47,126 as per agreement between the Company and third party. Accordingly, there is no financial loss to the Company. Except for the aforesaid, according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

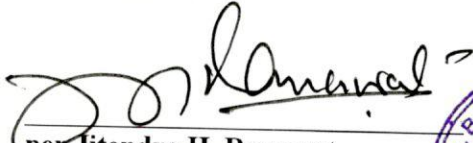
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review



and hence reporting requirements under clause 3(xiv) are not applicable to the Company not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

  
per **Jitendra H. Ranawat**

Partner  
Membership Number: 103380  
Place: Mumbai  
Date: 12 April 2019





**“ANNEXURE 2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF AXIS SECURITIES LIMITED**

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

To the Members of Axis Securities Limited

We have audited the internal financial controls over financial reporting of Axis Securities Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

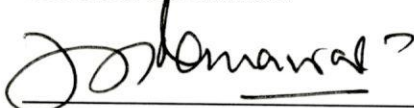
**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: April 12, 2019





AXIS SECURITIES LIMITED  
(A subsidiary of Axis Bank Ltd)  
AUDITED RESULT FOR THE PERIOD ENDED 31ST MARCH 2019

Axis Securities Limited  
Balance sheet as at 31st March 2019

Particulars	Notes	As at 31 March 2019 (₹ in Lakhs)	As at 31 March 2018 (restated) (₹ in Lakhs)	As at 1 April 2017 (restated) (₹ in Lakhs)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	1,031	2,578	2,897
Capital work in progress	3	35	156	775
Intangible assets	4	1,386	1,388	546
Intangible assets under development	4	42	66	104
Financial assets				
(ii) Other financial assets	5	1,501	796	709
Non-current tax assets (net)	6	2,816	3,874	5,457
Deferred tax asset (net)	7	1,204	851	735
Other non current assets	8	47	144	153
<b>Total non-current assets</b>		<b>8,062</b>	<b>9,853</b>	<b>11,376</b>
<b>Current assets</b>				
Financial assets				
(i) Investments	9	-	1,300	-
(ii) Trade receivables	10	5,311	5,201	4,886
(iii) Cash and cash equivalent	11	8,588	11,534	5,889
(iv) Bank balances	12	13,187	9,538	9,726
(v) Loans	13	10,262	11,462	8,440
(vi) Other financial assets	5	247	222	317
Other current assets	8	472	5,023	4,721
<b>Total current assets</b>		<b>38,067</b>	<b>44,280</b>	<b>33,979</b>
<b>Assets included in disposal group in accordance with Ind As 105</b>	<b>28</b>	<b>15,504</b>		
<b>Total Assets</b>		<b>61,633</b>	<b>54,133</b>	<b>45,355</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	14,450	14,450	14,450
Other equity				
Capital reserve	15	4	4	4
Securities premium		1,525	1,525	1,525
General reserve		2,254	1,479	875
Retained earnings		14,764	8,096	4,919
<b>Total equity</b>		<b>32,997</b>	<b>25,554</b>	<b>21,773</b>
<b>Non-current liabilities</b>				
Long term provisions	16	124	293	191
Net employee defined benefit liabilities	17	275	416	220
Other non-current liabilities	18	-	15	38
<b>Total non-current liabilities</b>		<b>399</b>	<b>724</b>	<b>449</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	20	-	2,468	-
(ii) Trade payables	21	11,928	10,220	12,117
Short term provisions	16	989	2,732	2,094
Net employee defined benefit liabilities	17	123	315	293
Liabilities for statutory dues	19	364	2,861	810
Other current liabilities	18	4,024	9,259	7,819
<b>Total current liabilities</b>		<b>17,428</b>	<b>27,855</b>	<b>23,133</b>
<b>Total Liabilities</b>		<b>17,827</b>	<b>28,579</b>	<b>23,582</b>
<b>Liabilities included in disposal group in accordance with Ind As 105</b>	<b>28</b>	<b>10,809</b>		
<b>Total Equity &amp; Liabilities</b>		<b>61,633</b>	<b>54,133</b>	<b>45,355</b>

Significant accounting policies 2.3

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

As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

*[Signature]*  
per Jitendra H. Ranawat  
Partner

Membership No. :- 103380  
Place : Mumbai  
Date : 12 April 2019



For and on behalf of Board of Directors

*[Signature]*  
Arun Thukral  
Managing Director & CEO  
DIN No: 03043072  
Date : 12 April 2019

*[Signature]*  
Hemantkumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Date : 12 April 2019

*[Signature]*  
Anand Shaha  
Whole-time Director  
DIN No: 02421213  
Date : 12 April 2019

*[Signature]*  
Lovelina Faroz  
Company Secretary  
PAN: AARPF3613K  
Date : 12 April 2019



Axis Securities Limited Statement of Profit and Loss for the year ended 31st March 2019			
Particulars	Notes	Year ended	Year ended
		31 March 2019 (₹ in Lakhs)	31 March 2018 (restated) (₹ in Lakhs)
<b>Continuing operation</b>			
Revenue from operations	22	19,028	20,086
Other income	23	816	790
<b>Total Income</b>		<b>19,844</b>	<b>20,876</b>
<b>Expenses:</b>			
Employee benefit expense	24	9,528	8,633
Depreciation amortization and Impairment expense	25	1,063	976
Finance charges	26	227	430
Other expenses	27	4,475	4,622
<b>Total expenses</b>		<b>15,293</b>	<b>14,661</b>
<b>Profit before tax from continuing operation</b>		<b>4,551</b>	<b>6,215</b>
Tax expense:			
Current tax		(1,939)	(2,215)
Adjustment of tax relating to earlier periods		-	-
Deferred tax		315	(64)
<b>Total tax</b>		<b>(1,624)</b>	<b>(2,279)</b>
<b>Profit for the year from continuing operation</b>		<b>2,927</b>	<b>3,936</b>
<b>Discontinued operations</b>			
Profit before tax for the year from discontinued operations		6,693	3,273
Tax income/ (expense) of discontinued operations		(2,408)	(1,205)
Deferred tax		50	118
<b>Profit for the year from discontinued operations</b>		<b>4,335</b>	<b>2,186</b>
<b>Profit for the year</b>		<b>7,262</b>	<b>6,123</b>
<b>Other comprehensive income (OCI)</b>			
(A) (i) Items that will be reclassified to profit or loss			
(a) Remeasurement of subscription income		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(B) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plan		269	(86)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(81)	30
<b>Other comprehensive income for the year, net of income tax</b>		<b>189</b>	<b>(56)</b>
<b>Total comprehensive income for the year, net of tax attributable to:</b>		<b>7,451</b>	<b>6,067</b>
<b>Profit for the year</b>		<b>7,262</b>	<b>6,123</b>
Attributable to:			
Equity holders of the parent		7,262	6,123
<b>Total comprehensive income for the year</b>		<b>7,451</b>	<b>6,067</b>
Attributable to:			
Equity holders of the parent		7,451	6,067
<b>Earnings per equity share for continuing operations (nominal value of share ₹10) (31 March 2019: ₹10)</b>			
Basic		2.16	2.69
Diluted		2.16	2.69
<b>Earnings per equity share for discontinued operations (nominal value of share ₹10) (31 March 2019: ₹10)</b>			
Basic		3.00	1.51
Diluted		3.00	1.51
<b>Earnings per equity share for continuing operations and discontinued operations (nominal value of share ₹10) (31 March 2019: ₹10)</b>			
Basic		5.16	4.20
Diluted		5.16	4.20

Significant accounting policies

2.3

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

As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

*[Signature]*  
per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380  
Place : Mumbai  
Date : 12 April 2019

For and on behalf of Board of Directors

*[Signature]*  
Arup Thajral  
Managing Director &  
DIN No.: 03043072  
Date : 12 April 2019

*[Signature]*  
Hemantkumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Date : 12 April 2019

*[Signature]*  
Anand Shaha  
Whole-time Director  
DIN No: 02421213  
Date : 12 April 2019

*[Signature]*  
Lovelina Faroz  
Company Secretary  
PAN: AARPF3613K  
Date : 12 April 2019



Axis Securities Limited		
Cash flow statement for the period ended 31 March 2019		
Particulars	Year ended 31 March 2019 (₹ in Lakhs)	Year ended 31 March 2018 (₹ in Lakhs)
<b>Cash flow from operating activities</b>		
Profit before taxes from continuing operations	4,551	6,215
Profit/(loss) before tax from discontinued operations	6,693	3,273
<b>Profit before tax</b>	<b>11,244</b>	<b>9,488</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	925	962
Amortisation and impairment of intangible assets	450	270
Gain on disposal of investment	(175)	(65)
Loss on disposal of property, plant and equipment	92	11
Interest income	(1,028)	(982)
Provision for doubtful debts	63	52
Prepaid rent	13	8
Provision for employee cost - ESOP	155	126
Finance costs	218	385
	<b>11,957</b>	<b>10,255</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in other non current financial asset	(9)	(122)
Decrease / (increase) in other current assets	3,825	(302)
Decrease / (increase) in Loans	1,200	(3,021)
Decrease / (increase) in trade receivables	(8,366)	(365)
Decrease / (increase) in non current liabilities	(15)	(23)
Increase / (decrease) in long term provisions	90	103
Increase / (decrease) in net employee defined benefit liabilities	(80)	197
Decrease / (increase) in other current liabilities	(12)	1,440
Decrease / (increase) in employee benefit	39	(184)
Decrease / (increase) in Liabilities for current tax (net)	369	2,050
Increase / (decrease) in trade payables	1,708	(1,897)
Increase / (decrease) in short term provisions	592	637
Increase / (decrease) in net employee defined benefit liabilities	(128)	23
<b>Cash generated from operations</b>	<b>11,170</b>	<b>8,791</b>
Income tax paid	(3,289)	(1,837)
<b>Net cash flows from operating activities</b>	<b>7,881</b>	<b>6,954</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(533)	(37)
Purchase of other Intangible assets	(578)	(1,075)
Proceeds from sale of property, plant and equipment & other Intangible assets	40	3
Investment in bank fixed deposit under lien with exchange	(4,594)	222
Investment in mutual funds	(134,679)	(69,918)
Redemption of mutual funds	136,154	68,683
Interest received (finance income)	997	1,078
<b>Net cash flows used in investing activities</b>	<b>(3,192)</b>	<b>(1,045)</b>
<b>Financing activities</b>		
Finance charges	(186)	(223)
Proceeds from issuance of commercial paper	2,500	12,307
Redemption of commercial paper	(5,000)	(10,000)
Dividend paid (including distribution tax)		(2,348)
<b>Net cash flows from/(used in) financing activities</b>	<b>(2,686)</b>	<b>(264)</b>
Net increase in cash and cash equivalents	2,003	5,645
Cash and cash equivalents at the beginning of the year	11,534	5,889
<b>Cash and cash equivalents at year end</b>	<b>13,537</b>	<b>11,534</b>
<b>Components of cash and cash equivalents as at 31st March 2019</b>		
Cash in hand	-	0
<b>With scheduled bank -</b>		
On current account	6,376	11,530
On fixed deposit account	7,160	
Balance in prepaid cards	1	4
<b>Total</b>	<b>13,537</b>	<b>11,534</b>

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

As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380  
Place : Mumbai  
Date : 12 April 2019



For and on behalf of Board of Directors

Anand Thakral  
Managing Director & CEO  
CIN No: 03043072

Hemantkumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Place : Mumbai  
Date : 12 April 2019

Anand Shaha  
Whole-time Director  
DIN No: 02421213

Lovelina Faroz  
Company Secretary  
PAN: AARPF3613K





**Notes forming part of the financial statements**

**1.1 Corporate Information**

Axis Securities Limited ('the Company') is public company domiciled in India and is incorporated under the provision of Companies Act applicable in India. The principal activity of the Company is to carry on business of retail stock broking, providing resource management and marketing of third party financial products.

**2. Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and companies ( Accounting standards) Amendment Rules, 2016 (Indian GAAP or previous GAAP) These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity financial position and financial performance is provided in note 44A. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakhs (INR), except when otherwise indicated.

**2.1 Presentation of financial statements**

The Company presents its balance sheet in order of liquidity.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

**2.2 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

**2.3 Significant accounting policies**

**i. Use of estimates**

The preparation of the financial statements in conformity with the Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the end of the reporting period. Actual results could differ from those estimates. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates applied under Ind As at the transition date will be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies) unless there is objective evidence that there were errors in those estimates.

Any revisions to the accounting estimates are recognised prospectively in the current and future periods.



Notes forming part of the financial statements

ii. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when Company becomes party to the contractual provisions of the instruments.

**a) Date of recognition**

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades, purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Loans are recognised when funds are transferred to the customers' account. The company recognises debt securities, deposits and borrowings when funds reach the company.

**b) Initial recognition, classification and subsequent measurement of financial assets**

Financial assets are classified into one of the three categories for measurement and income recognition:

- Amortized Cost (AC)
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit and loss (FVTPL)

Classification of financial assets is based on the assessment of business model and contractual cash flow test.

**Financial asset is measured at amortized cost, if both the following conditions are met:**

- a) The financial asset is held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Further other things remain the same (as in (a) and (b) above), if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, such asset/s are classified as held at FVTOCI.

In case of a financial asset that does not meet both the above conditions, it is classified as FVTPL

iii. **Classification of financial liabilities**

The Company classified all financial liabilities as subsequently measured at amortized cost.

**Initial and Subsequent measurement of Financial Liability**

The Company measures the financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, at initial recognition, except for trade receivables.

Initial recognition and subsequent measurement of financial liability is based on their classification.

**De-recognition**

**De-recognition of financial assets**

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the entity evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the entity has not retained control of the financial asset. Where the entity retains the control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.





Notes forming part of the financial statements

**De-recognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**iv. Reclassification of financial assets and financial liabilities**

An entity is required to reclassify financial assets when and only when it changes its business model for managing financial assets.

Reclassifications are expected to be very infrequent. Such changes must be determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties.

Further re-classification is not allowed in following cases;

- Investments in equity instruments irrevocably designated as at FVTOCI cannot be reclassified.
- Reclassification of financial liabilities

**v. Impairment of financial assets**

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contractual revenue receivables.
- Loans

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

**vi. Fair Value Measurement**

The Company measures financial instruments such as investment in mutual funds at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The Principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses Net Asset Value (NAV) to fair value investments in mutual funds.



**Fair value hierarchy**

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

**vii. Financial assets and financial liabilities at fair value through profit or loss**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate as explained in Note 4.1.2.

**viii. Revenue recognition**

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

**a. Business sourcing and resource management**

The Company recognises the fee income on periodic bases based on the quantum of services provided at agreed rates.

**b. Brokerage fee income**

Revenue recognition for brokerage fees can be divided into the following two categories:

**1) Brokerage fees – point in time**

Brokerage income on securities is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date.

**2) Brokerage fees – over time**

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of plan.





Notes forming part of the financial statements

c. Selling commissions/ brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc are recorded on determination of the amount due to the company, once the allotment of securities are completed.

**d. Depository fees**

Depository fees are recognized on completion of the transaction.

**e. Portfolio management fees**

Portfolio management fees are recognised when corpus is offered for investment by the customer. Subsequently fees are charged at contracted rates periodically.

Further, fees are charged on withdrawal of invested funds before a specified period.

**f. Interest**

The Company calculates interest income by applying the (Effective Interest Rate) EIR to the gross carrying amount of loans other than credit-impaired loans.

**g. Income from investments**

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

**ix. Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company's exposure to credit risk is very minimal as the trade receivables are covered by collateral.

The movement of trade receivables is monitored on quarterly basis and the % of movement of trade receivables in various ageing brackets is given below:

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**x. Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**a) Liquidity risk**

The Company monitors its risk of shortage of funds through regular review of liquidity status.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and working capital.

The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with the existing lenders.



Notes forming part of the financial statements

b) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments, staff loans, rental advances.

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

xi. **Plant, Property and Equipment including intangible assets**

Plant, Property and Equipment and intangible assets are stated at cost, net off accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases 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.

Gains or losses arising from derecognition 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 derecognized.

The Company's other intangible assets mainly include the value of computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost.

The residual values is considered as nil.

Useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively

Intangible assets are amortised over the useful economic life. The amortisation expense on intangible assets is presented as a separate line item in the statement of profit and loss.

xii. **Depreciation and amortization**

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management.

Depreciation has been provided using the following estimated useful lives:

	<b>Useful Life</b>
Leasehold improvements	Upon Lease Period
Electrical fittings and other equipments	10 Years
Furniture and fittings	10 Years
Office equipments	5 Years
Computers	3 Years
Mobile phone	2 Years
Softwares	5 Years
EPBAX	8 Years
Softwares	5 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Statement of profit and loss till the date of sale of assets.

Intangible assets are amortized on a straight line basis over the estimated useful economic life





**xiii. Impairment of tangible and intangible assets**

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**xiv. Leases**

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

**xv. Retirement and other employee benefits**

- a. Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.
- b. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using projected unit credit method, made at each year end. Company recognizes the service cost (past and current), gain and losses on curtailment, non-routine settlement, net interest income or expense to Profit and Loss. Re-measurement comprising of actuarial gain and losses on obligations/plan assets due to change in demographic, financial assumptions and experience are recognized immediately in the balance sheet with corresponding debit or credit to retained earnings in the period in which they occur through OCI under items that will not be reclassified to profit or loss.
- c. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- d. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end.



Notes forming part of the financial statements

xvi. Income taxes

**Current income tax**

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

Current income tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred income tax**

- a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b. Deferred tax liabilities are recognised for all taxable temporary differences, except:  
-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- c. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:
- d. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- e. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- f. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- g. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- h. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
- i. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.





Notes forming part of the financial statements

**xvii. Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of transaction and on account of restatement of monetary items are dealt with in the Statement of profit and loss.

**xviii. Segment reporting policies**

The business of the Company is divided into two segments: marketing of financial products and resources management and retail broking.

**a. Nature of segment:**

- i. Resources management and marketing of financial products: Division is involved in the business of marketing of third party retail asset products including providing resource management services.
- ii. Retail broking: The division is involved in providing retail broking services, distribution of IPO, mutual funds and portfolio management products.

**b. Identification of segment:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company operates in one geography.

**c. Allocation of common costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**d. Unallocated items:**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**e. Segment accounting policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**xix. Earnings per share**

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

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



Notes forming part of the financial statements

**xx. Share based payments**

Share based payment arrangement includes arrangement between entity and employees. Most common application is Employee stock options (ESOP) payment. All transactions involving share based payment are recognized as expenses or assets over underlying vesting period. All equity settled share based payments are measured at fair value as on grant date for employee services and expenses are recognized over vesting period.

**Equity Settled Transaction**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

**xxi. Provisions**

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

**xxii. Cash and cash equivalents**

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

**xxiii. Contingent liabilities**

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

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.



Notes forming part of the financial statements

**2.4 First time adoption of Indian Accounting Standards**

Ind AS 101 applies to the first set of financial statements and interim financial statements for a period covered by those first financial statement that are prepared under Ind AS. For Company, financial statement as at 31st March 2019 is the first set of financial statements, with the comparative information for the year ended 31st March 2018 and opening Ind AS Balance Sheet as at April 01, 2017. Ind AS 101 provides for certain mandatory exemption for first time adoption.

In preparing this financial statements, the company's opening balance sheet was was prepared as at 01 April 2017, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financials, including balance sheet as at 01 April 2017 and the financial statements as at and for the year ended 31 March 2018

**Exemptions applied**

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS . The company has applied the following exemption

**Deemed cost of PPE, Intangible assets and Investment Property**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured under Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and Ind AS 40 'Investment Property'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their Indian GAAP carrying value in its financial statement.

**Estimates**

The estimates at 1 April 2017 and as at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustment to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflects conditions of 1 April 2017, the date of transition to Ind AS and as of 31 March 2018





3. Property, plant and equipment

(₹ in Lakhs)

Particulars	Improvements to leasehold premises	Furniture	Office equipment	Computers	Capital work in progress	Total
<b>Cost or valuation</b>						
At 1 April 2017	1,103	1,080	866	2,262	775	6,087
Additions	129	187	136	205	156	812
Disposals	29	36	32	158		256
<b>At 31 March 2018</b>	<b>1,202</b>	<b>1,231</b>	<b>970</b>	<b>2,309</b>	<b>156</b>	<b>5,868</b>
Additions	98	120	71	365	35	689
Disposals	74	103	77	24		278
Discontinued operations	636	950	234	338		2,159
<b>At 31 March 2019</b>	<b>590</b>	<b>297</b>	<b>730</b>	<b>2,311</b>	<b>35</b>	<b>3,964</b>
<b>Depreciation and impairment</b>						
At 1 April 2017	315	353	382	1,364		2,414
Depreciation charge for the year	130	109	184	539		962
Disposals	27	29	29	157		242
<b>At 31 March 2018</b>	<b>418</b>	<b>433</b>	<b>537</b>	<b>1,746</b>	-	<b>3,134</b>
Depreciation charge for the year	148	131	160	423		863
Disposals	32	46	46	22		146
Impairment	25	31	5	-		62
Discontinued operations	223	381	141	272		1,016
<b>At 31 March 2019</b>	<b>337</b>	<b>169</b>	<b>516</b>	<b>1,876</b>	-	<b>2,897</b>

(₹ in Lakhs)

Net book value	Improvements to leasehold premises	Furniture	Office equipment	Computers	Capital work in progress	Total
At 31 March 2019	254	129	213	435	35	1,066
At 31 March 2018	784	798	433	563	156	2,734
At 1 April 2017	788	727	484	898	775	3,672

Net book value	31 March 2019	31 March 2018	As at 1 April 2017
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Property, plant and equipment	1,031	2,578	2,897
Capital work in progress	35	156	775

4. Other Intangible assets

(₹ in Lakhs)

Particulars	Software	Intangible asset under development	Total
<b>Cost or valuation</b>			
At 1 April 2017	1,857	104	1,961
Additions	1,113	66	1,178
Disposals	1		1
<b>At 31 March 2018</b>	<b>2,968</b>	<b>66</b>	<b>3,138</b>
Additions	601	42	644
Disposals	1		1
Discontinued operations	261		261
<b>At 31 March 2019</b>	<b>3,308</b>	<b>42</b>	<b>3,520</b>
<b>Depreciation and impairment</b>			
At 1 April 2017	1,311		1,311
Depreciation charge for the year	270		270
Disposals	1		1
<b>At 31 March 2018</b>	<b>1,580</b>	-	<b>1,580</b>
Depreciation charge for the year	450		450
Disposals	1		1
Discontinued operations	108		108
<b>At 31 March 2019</b>	<b>1,921</b>	-	<b>1,921</b>

Net book value	Software	Intangible asset under development	Total
At 31 March 2019	1,386	42	1,429
At 31 March 2018	1,388	66	1,454
At 1 April 2017	546	104	650

Net book value	31 March 2019	31 March 2018	As at 1 April 2017
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Other Intangible assets	1,386	1,388	546
Intangible asset under development	42	66	104





**Axis Securities Limited**  
Notes to financial statements for the year ended 31 March 2019

**5. Other financial asset**

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)
<b>Security deposit</b>						
-Unsecured, considered good	526	768	646	-	3.11	3
-Unsecured, considered doubtful	-	-	-	21	24.49	24
<b>A</b>	<b>526</b>	<b>768</b>	<b>646</b>	<b>21</b>	<b>27</b>	<b>27</b>
Less: Provision for doubtful receivable	-	-	-	(21)	(24)	(24)
	<b>526</b>	<b>768</b>	<b>646</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>Non-current bank balances - Fixed Deposits</b>						
Interest accrued on fixed deposits	970	25	59	-	-	-
	5	3	4	247	219	314
<b>B</b>	<b>975</b>	<b>28</b>	<b>63</b>	<b>247</b>	<b>219</b>	<b>314</b>
<b>Total (A) + (B)</b>	<b>1,501</b>	<b>796</b>	<b>709</b>	<b>247</b>	<b>222</b>	<b>317</b>

**6. Income Tax**

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)
Advance income-tax (net)	2,816	3,874	5,457	-	-	-
	<b>2,816</b>	<b>3,874</b>	<b>5,457</b>	<b>-</b>	<b>-</b>	<b>-</b>



Axis Securities Limited  
Notes to financial statements for the year ended 31 March 2019

7. Deferred tax

Particulars	Non-current		31 March 2017 (₹ in Lakhs)	Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)		31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Compensated Absence Cost	48	23	-	-	-
Bonus	-	-	-	-	-
Gratuity	135	131	79	-	-
Rent	135	119	85	-	-
Doubtful debts/ receivables	89	67	49	-	-
Acquisition of Business expenses	-	8	34	-	-
FA Difference	167	37	(29)	-	-
<b>Total</b>	<b>574</b>	<b>385</b>	<b>219</b>	-	-
<b>OCI section</b>					
Deferred tax related to items recognised in OCI during in the year:					
<b>Deferred Tax - IGAAP (A)</b>	<b>574</b>	<b>385</b>	<b>219</b>	-	-
Deferred Tax Ind AS-P&L					
On Subscription	630	466	516	-	-
On Employee benefit plan	(81)	(94)	(30)	-	-
<b>Deferred Tax Adjustment IND AS B/S (B)</b>	<b>550</b>	<b>372</b>	<b>486</b>	-	-
<b>Deferred Tax- Ind AS-OCI (C)</b>	<b>81</b>	<b>94</b>	<b>30</b>	-	-
<b>Deferred Tax Asset In IND AS B/S (A)+(B)+(C)</b>	<b>1,204</b>	<b>851</b>	<b>735</b>	-	-



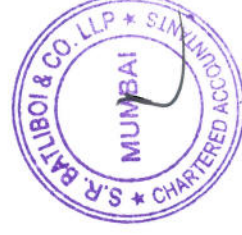
Axis Securities Limited  
Notes to financial statements for the year ended 31 March 2019

8. Other non current / current assets

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April, 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April, 2017 (₹ in Lakhs)
<b>Capital Advances</b>	-	-	-	-	1	6
<b>A</b>	-	-	-	-	1	6
<b>Others</b>						
Advances recoverable in cash or kind	-	-	-	91	156	119
Prepaid expenses	47	144	153	236	378	244
Balances with statutory / government authorities	-	-	-	145	112	52
Other receivables	-	-	-	-	4,376	4,300
<b>B</b>	47	144	153	472	5,022	4,715
<b>Total (A) + (B)</b>	47	144	153	472	5,023	4,721

9. Investments

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Units	(₹ in Lakhs)	No. of Units	(₹ in Lakhs)	No. of Units	(₹ in Lakhs)
<b>Investment measured at FVTPL</b>						
Investment in Mutual Funds (quoted) - Liquid Mutual Fund	-	-	-	1,300	-	-
<b>Total current investments</b>	-	-	-	1,300	-	-

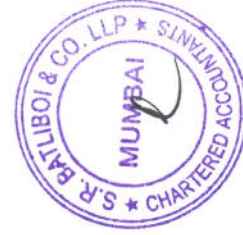


Axis Securities Limited

Notes to financial statements for the year ended 31 March 2019

10. Trade receivables

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 April 2017 (₹ in Lakhs)
Receivables from others	-	-	-	5,311	717	2,052
Receivables from other related parties (Note 29)	-	-	-	-	4,483	2,835
	-	-	-	5,311	5,200	4,887
<b>Break-up for security details:</b>						
<b>Unsecured, considered good unless stated otherwise</b>						
Unsecured, considered good	-	-	-	-	7	35
Doubtful	-	-	-	187	153	110
Provision for doubtful debts	-	-	-	187	160	145
(A)	-	-	-	(187)	(153)	(110)
	-	-	-	-	7	35
<b>Other receivables</b>						
Unsecured considered good	-	-	-	-	4,483	2,834
- Due from holding company	-	-	-	5,311	711	2,017
- Due from others	-	-	-	45	17	8
Doubtful	-	-	-	5,356	5,211	4,859
Provision for doubtful receivables	-	-	-	(45)	(17)	(8)
(B)	-	-	-	5,311	5,194	4,851
<b>Total</b>	-	-	-	5,311	5,201	4,886





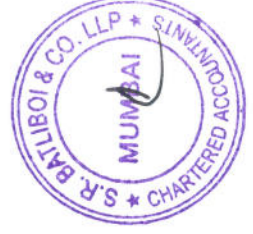
Axis Securities Limited  
Notes to financial statements for the year ended 31 March 2019

11. Cash and bank balances

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)
<b>Cash and cash equivalents</b>						
Balances with banks:						
- On current accounts	-	-	-	4,587	11,530	5,889
- Balance in prepaid cards	-	-	-	1	4	0
- Deposits with original maturity of less than three months	-	-	-	4,000	-	-
- Cash in hand	-	-	-	-	0	0
				<b>8,588</b>	<b>11,534</b>	<b>5,889</b>

12. Bank balances

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)
<b>Bank balances</b>						
- Deposits with original maturity for more than 12 months	-	-	-	2	-	-
- Deposits with original maturity for more than 12 months under lien	970	3,520	59	13,185	9,538	9,726
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-	-	-
- Deposits with original maturity for more than 3 months but less than 12 months under lien	-	-	-	-	-	-
Amount disclosed under non-current assets	<b>970</b>	<b>3,520</b>	<b>59</b>	<b>13,187</b>	<b>9,538</b>	<b>9,726</b>
	(970)	(3,520)	(59)			
<b>Total</b>				<b>13,187</b>	<b>9,538</b>	<b>9,726</b>



**Axis Securities Limited**

Notes to financial statements for the year ended 31 March 2019

**13. Loans**

Particulars	Non-current		Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Funding under margin trading facility (secured)	-	-	10,262	11,462
				8,440
				8,440

**14. Share Capital**

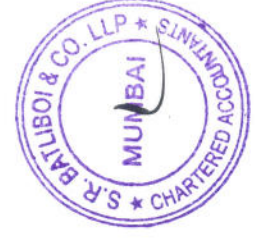
**Authorized share capital**

	Equity Shares	
	No. in Lakhs	(₹ in Lakhs)
At 1 April 2017	1,500	15,000
Increase/(decrease) during the year	-	-
At 31 March 2018	1,500	15,000
Increase/(decrease) during the year	-	-
At 31 March 2019	1,500	15,000

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is ratified by the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	No. in Lakhs	(₹ in Lakhs)
<b>Issued Equity Capital</b>		
Equity shares of ₹10 each issued, subscribed and fully paid		
At 1 April 2017	1,445	14,450
Changes during the period	-	-
At 31 March 2018	1,445	14,450
Changes during the period	-	-
At 31 March 2019	1,445	14,450



**Axis Securities Limited**

Notes to financial statements for the year ended 31 March 2019

**Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	As at 1 April 2017 (₹ in Lakhs)
Axis Bank Limited, the holding company and its nominees 1,445 lacs (31 March 2018: 1,445 lacs) equity shares of ₹ 10/- each	14,450	14,450	14,450

**Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March 2019		31 March 2018		As at 1 April 2017	
	Nos in lakhs	%	Nos in lakhs	%	Nos in lakhs	%
Axis Bank Limited, the holding company and its nominees	1445	100.00	1445	100.00	1445	100.00

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Proposed Dividend on Equity Shares**

The Board proposed dividend on equity shares after the balancesheet date	31 March 2019
Proposed dividend on equity shares for the year ended on 31st March 2019 : ₹ 2.30 per share	3,324
Dividend Distribution Tax on proposed dividend on equity shares	676
<b>Total</b>	<b>4,000</b>

**15. Other Equity**

Capital reserve	(₹ in Lakhs)
At 1 April 2017	4
Changes during the period	-
At 31 March 2018	4
Changes during the period	-
At 31 March 2019	4

Securities premium	(₹ in Lakhs)
At 1 April 2017	1,525
Changes during the period	-
At 31 March 2018	1,525
Changes during the period	-
At 31 March 2019	1,525





Axis Securities Limited

Notes to financial statements for the year ended 31 March 2019

General reserve	
At 1 April 2017	875
Changes during the period	604
At 31 March 2018	1,479
Changes during the period	775
At 31 March 2019	2,254

	Attributable to the equity holders of the parent					
	Capital reserve	Securities premium	General reserve	Retained earnings	Other Comprehensive Income	Deemed Equity
For the year ended 31 March 2019						
			Reserves and Surplus			
As at 1 April 2018	4	1,525	1,479	7,952	(175)	319
Profit for the period	-	-	-	7,262	-	155
Other comprehensive income	-	-	-	-	25	-
Total	4	1,525	1,479	15,214	(150)	475
Transfer to General Reserve	-	-	775	(775)	-	-
At 31 March 2019	4	1,525	2,254	14,439	(150)	475

	Attributable to the equity holders of the parent					
	Capital reserve	Securities premium	General reserve	Retained earnings	Other Comprehensive Income	Deemed Equity
For the year ended 31 March 2018						
			Reserves and Surplus			
As at 1 April 2017	4	1,525	875	4,782	(56)	193
Profit for the period	-	-	-	6,122	-	-
Other comprehensive income	-	-	-	-	(119)	126
Total	4	1,525	875	10,904	(175)	319
Transfer to General Reserve	-	-	604	(604)	-	-
Interim equity dividend [(amount per share ₹ 1.35 (31 March 2018: ₹ 19,50,75,000 lacs)]	-	-	-	(1,951)	-	-
Tax on equity dividend	-	-	-	(397)	-	-
At 31 March 2018	4	1,525	1,479	7,952	(175)	319





**Axis Securities Limited**  
Notes to financial statements for the year ended 31 March 2019

**Capital reserve**

Capital reserve is created by capital profits of the company which is not kept for distribution to the shareholders in the form of dividend. This is included in the retained earning statements

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provision of Companies Act

**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to general reserve can be utilised only in accordance with the specific requirements of Companies Act 2013.

**16. Provisions**

Particulars	Non-current			Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Provision for bonus	-	-	-	989	2,681
Leases	124	293	191	-	51
	<b>124</b>	<b>293</b>	<b>191</b>	<b>989</b>	<b>2,732</b>
					<b>2,094</b>

**17. Net Employee defined benefit liabilities**

Particulars	Non-current			Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	1 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Provision for employee benefits	275	378	208	-	21
Gratuity payable	-	38	12	123	272
Leave availment payable	<b>275</b>	<b>416</b>	<b>220</b>	<b>123</b>	<b>315</b>
					<b>293</b>



Axis Securities Limited

Notes to financial statements for the year ended 31 March 2019

18. Other non-current/current liabilities

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 April 2017 (₹ in Lakhs)
<b>Other liabilities</b>						
Income received in advance	-	-	-	2,894	2,279	2,658
<b>Others</b>						
Sundry creditors for capital expenditure	-	-	-	55	50	144
Expense creditors	-	-	-	86	153	127
- Due to holding company	-	-	-	727	1,882	1,543
- Due to others	-	-	-	-	-	-
Deposit received from franchisee	-	15	38	-	-	-
Salary & incentive payable	-	-	-	-	3,771	3,232
Others	-	-	-	262	1,124	115
<b>Total</b>	-	15	38	4,024	9,259	7,819

19. Liabilities for Statutory Dues

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 April 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 April 2017 (₹ in Lakhs)
Undisputed statutory dues	-	-	-	364	2,861	810
	-	-	-	364	2,861	810



Axis Securities Limited  
Notes to financial statements for the year ended 31 March 2019

20. Borrowing

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 March 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 March 2017 (₹ in Lakhs)
Unsecured Commercial Paper	-	-	-	-	2,500	-
Less : Unexpired Interest	-	-	-	-	(32)	-
	-	-	-	-	2,468	-

21. Trade payables

Particulars	Non-current			Current		
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 March 2017 (₹ in Lakhs)	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	31 March 2017 (₹ in Lakhs)
Trade payables	-	-	-	11,928	10,220	12,117
<b>Total</b>	-	-	-	<b>11,928</b>	<b>10,220</b>	<b>12,117</b>



**Axis Securities Limited**

Notes to financial statements for the year ended 31 March 2019

**22. Revenue from operations**

	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Professional fees	4	11
Brokerage income	15,970	17,202
Interest on delayed payment	1,793	1,797
Other operating income	1,261	1,076
<b>Total</b>	<b>19,028</b>	<b>20,086</b>

**23. Other income**

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Interest income on bank deposits & income tax refund	737	751
Profit on sale of investments (fair value through P & L)	75	33
Miscellaneous income	4	4
Other non operating income	-	2
<b>Total</b>	<b>816</b>	<b>790</b>

**24. Employee benefits expense**

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Salaries, wages and bonus	8,706	8,197
Contribution to provident and other funds	422	358
Staff welfare expenses	61	53
Gratuity expense	339	25
<b>Total</b>	<b>9,528</b>	<b>8,633</b>

**25. Depreciation and amortization expense**

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Depreciation of tangible assets	590	720
Amortization of intangible assets	411	255
Impairment of tangible assets	62	-
	<b>1,063</b>	<b>976</b>





## 26. Finance charges

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Bank guarantee commission	82	56
Interest expense	145	374
<b>Total</b>	<b>227</b>	<b>430</b>

## 27. Other expense

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Rent (premises)	727	656
Stamp, registration and exchange charges	3	(3)
Franking charges	132	235
Advertisement and sales promotion	382	510
Rates and taxes	22	46
Insurance	8	1
Housekeeping expenses	130	97
Security charges	73	42
Repair and maintenance- others	66	47
Travelling and conveyance	244	270
Communication cost	517	618
Call center cost	179	180
Information technology expenses	1,048	774
Loss on sale of fixed assets	65	1
Printing & stationery	107	194
Legal and professional fees	102	84
Director's sitting fees	7	7
Auditors' remuneration :		
- Audit fee (total including discontinuing operations ₹33 lakhs)	17	15
- Out of pocket expenses (total including discontinuing operations ₹ 0.6 lakhs)	0	0
Expense towards Corporate Social Responsibility (Note xx)	90	72
Electricity and water charges	169	143
Office expenses	31	32
Membership & subscription fees	89	74
Recruitment and training expenses	42	68
Miscellaneous expenses	98	188
Bad debts	61	53
Provision for bad & doubtful debts	63	52
Sub brokerage	3	166
<b>Total</b>	<b>4,475</b>	<b>4,622</b>



**28. Discontinued operations**

On 28 March 2019, Both Axis Bank Ltd and Axis Securities Ltd (ASL) have mutually taken decision to exit Non Broking business pertaining to retail assets, credit cards, resource management services etc. services offered by ASL to Axis Bank. During the transition of business subject to terms and conditions compulsorily and expressly accepted by both the parties, the transition cost incurred by ASL from April 1, 2019 onward till the arrangement is terminated will be billed to Axis Bank. Being a discontinued operation, that segment is no longer presented in the segment note.

	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Revenue from operation	87,882	74,053
Other Income	407	276
<b>Total Revenue</b>	<b>88,289</b>	<b>74,329</b>
<b>Expenses</b>		
Employee benefit expense	77,997	67,462
Depreciation amortization expense and Impairment	312	256
Finance charges	(9)	(45)
Other expenses	3,296	3,383
<b>Total Expense</b>	<b>81,596</b>	<b>71,056</b>
<b>Profit/(loss) before tax from a discontinued operation</b>	<b>6,693</b>	<b>3,273</b>
Tax (expenses)/income:	(2,408)	(1,205)
Related to current pre-tax profit/(loss)	-	1
Deferred Tax	50	118
<b>Profit/(loss) for the year from a discontinued operation</b>	<b>4,335</b>	<b>2,186</b>

The major classes of assets and liabilities of Axis Securities Limited classified as held for distribution to equity holders as at 31 March 2019 are, as follows:

	31 March 2019 (₹ in Lakhs)
<b>Assets</b>	
Property, plant and equipment (Note 3)	1,143
Intangible assets (Note 5)	153
Other financial assets	255
Other current assets	811
Trade receivable	8,193
Cash and cash equivalent	4,949
Assets classified as held for distribution	<b>15,504</b>
<b>Liabilities</b>	
Net employee defined benefit liabilities	124
Long term provisions	259
Short term provisions	2,336
Liabilities for statutory dues	2,866
Other current liabilities	5,223
<b>Liabilities directly associated with assets classified as held for distribution</b>	<b>10,809</b>
<b>Net assets directly associated with disposal group</b>	<b>4,695</b>



The net cash flows incurred by discontinuing operations are as follows:

	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Operating	(140)	4,439
Investing	1,428	(1,328)
Financing	10	45
<b>Net cash (outflow)/inflow</b>	<b>1,298</b>	<b>3,157</b>

**Earnings per share (EPS)**

Particulars	31 March 2019	31 March 2018
	(₹ in Lakhs)	(₹ in Lakhs)
Profit attributable to equity holders of the parent:		
Continuing operations	3,115	3,881
Discontinued operation	4,335	2,186
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>7,450</b>	<b>6,067</b>
Weighted average number of Equity shares for basic EPS*	1,445	1,445

Earnings per share:	31 March 2019	31 March 2018
	(₹)	(₹)
Basic, profit/(loss) for the year from discontinued operation	3.00	1.51
Diluted, profit/(loss) for the year from discontinued operation	3.00	1.51



Notes forming part of the financial statements

29. Related Party Transaction

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

Holding Company	Axis Bank Limited
Key Management Personnel	Mr. Arun Thukral (Managing Director & CEO) Mr. Anand Shaha (Whole Time Director) Mr. Hemantkumar Patel (Chief Financial Officer) Ms. Lovelina Faroz (Company Secretary)
Fellow Subsidiaries	Axis Private Equity Limited (APEL) Axis Finance Limited (AFL) Axis Mutual Fund Trustee Limited (AMFTL) Axis Trustee Services Limited (ATSL) Axis Asset Management Company Limited (AAMCL) Axis Bank U.K. Limited (ABUKL) Axis Capital Limited (ACL) A. Treds Limited (ATL) Freecharge Payment Technologies Private Limited (FPTPL) (w.e.f. 06 Oct 2017) Accelyst Solutions Private Limited (ASPL) (w.e.f. 06 Oct 2017) Axis Capital USA LLC. (w.e.f. 02 Aug 2017)





Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
<b>Income</b>				
Business sourcing fee income	45,962.94			45,962.94
	(41,445.92)			(41,445.92)
Resource management fee	41,912.27			41,912.27
	(32,599.54)			(32,599.54)
Commission	5.26			5.26
	(-)			(-)
Interest on fixed deposits	59.54			59.54
	(56.57)			(56.57)
Resource management fees (AAMC)			6.71	6.71
			(7.49)	(7.49)
Bank interest	0.96			0.96
	(0.57)			(0.57)
Other income (AFL)			47.31	47.31
			(6.20)	(6.20)
Other income (AAMC)			182.92	182.92
			(240.47)	(240.47)
Other income (ACL)			19.85	19.85
			(8.27)	(8.27)
Brokerage income (Mr. Arun Thukral)		0.19		0.19
		(0.33)		(0.33)
Brokerage income (Mr. Anand Shaha)		0.02		0.02
		(0.03)		(0.03)
Brokerage income (Mr. Hemant Kumar Patel)		0.02		0.02
		(0.03)		(0.03)
				-
<b>Expenses</b>				
Salaries (Mr. Arun Thukral)	185.12			185.12
	(170.42)			(170.42)
Salaries (Mr. Anand Shaha)		80.15		80.15
		(74.52)		(74.52)
Salaries (Mr. Hemant Kumar Patel)		52.53		52.53
		(43.76)		(43.76)
Salaries (Ms. Lovelina Faroz)		14.66		14.66
		(13.02)		(13.02)
Reimbursement for expenses	645.79			645.79
	(1,091.46)			(1,091.46)
Reimbursement for expenses (Mr. Arun Thukral)	1.41	0.56		1.97
	(3.91)	(1.02)		(4.93)
Bank charges & other charges paid	73.43			73.43
	(169.72)			(169.72)
Other expenses/ reimbursements (ACL)			1.42	1.42
			(9.12)	(9.12)
<b>Other transactions</b>				
Other reimbursement received (AFL)			-	-
			(4.03)	(4.03)



## Notes forming part of the financial statements

Training Exp reimbursement(Cross Sell)	12.99			12.99
	(-)			(-)
Reimbursement of operating expenses	2.65	0.14		2.78
	(-)	(0.14)		(0.14)
<b>Transaction/Nature of Relationship</b>	<b>Holding Company</b>	<b>Key Management Personnel</b>	<b>Fellow Subsidiary</b>	<b>Grand Total</b>
Dividend paid	-			-
	(1,950.75)			(1,950.75)
<b>Guarantees received during the year</b>				
<b>Outstanding balance as at 31 March 2019</b>				
Other payables	163.46			163.46
	(152.74)			(152.74)
Accounts receivable-for services rendered	8,192.44			8,192.44
	(4,482.53)			(4,482.53)
Other payables (AFC)			226.34	226.34
			-	-
Accounts receivable-for services rendered- (AAMC)			0.49	0.49
			(0.64)	(0.64)
Other receivables (AAMC)			-	-
			(29.96)	(29.96)
Other receivables (ACL)				
Other receivables (AFL)			(0.03)	(0.03)
			(0.57)	(0.57)
Current account	6,276.19			6,276.19
	(10,225.76)			(10,225.76)
Fixed deposit balance	5,081.76			5,081.76
	(755.11)			(755.11)

## Notes

- 1) As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amount pertaining
- 2) Figures in bracket represents corresponding amount of previous year.



## Notes forming part of the financial statements

## 30. Leases

## Operating Lease:

The Company has entered into agreements in the nature of cancellable and non-cancellable lease / leave and license agreements with different lessors / licensors for the purpose of establishment of office premises, information technology and office equipments. These are generally in the nature of operating leases / leave and licenses.

Generally the lease term is for 3-9 years with the escalation clause of up to 15% over 3 years for office premises. There are no restrictions imposed by lease arrangements. There are no subleases.

Future minimum rentals payable under operating leases are as follows:

	Continuing Operations		Discontinuing Operations		Total	
	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Minimum lease payments :						
Not later than one year	571	585	892	883	1,463	1,468
Later than one year but not later than five years	1,359	1,874	3,118	3,249	4,477	5,123
Later than five years	162	468	915	1,316	1,077	1,784
Lease payment for the year	546	654	928	895	1,473	1,549

## 31. Details of Foreign currency transactions

## Expenditure in foreign currency (accrual basis)

	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Subscription charges	51	35
Sales Promotion	25	17
	<b>76</b>	<b>52</b>

## 32. Gratuity and other benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on retirement at 15 days salary (last drawn salary) for each completed year of service. The schemes are funded with insurance companies in the form of a qualifying insurance policies.

The following tables summarize the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Particulars	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
In Statement of Profit and Loss	195	116
In Other Comprehensive Income	(39)	184
Total Expenses Recognized for the period	<b>157</b>	<b>299</b>

## Net employee benefit expense (recognized in employee cost)

	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Current service cost	175	100
Past service cost	-	6
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	20	9
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	<b>195</b>	<b>116</b>

## Amount recorded in Other comprehensive income

	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Opening amount recognized in OCI outside profit and loss account	269	86
Remeasurements during the period due to		
Changes in financial assumptions	4	(13)
Changes in demographic assumptions	4	51
Experience adjustments	(27)	158
Actual return on plan assets less interest on plan assets	(19)	(12)
Adjustment to recognize the effect of asset ceiling		
Closing amount recognized in OCI outside profit and loss account	<b>231</b>	<b>269</b>

## Balance sheet

## Details of provision for gratuity

	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Present value of obligation as at the end of the year	424	733
Fair value of plan assets	39	355
Net funded obligation		
Net defined benefit liability recognized in balance sheet	<b>(385)</b>	<b>(378)</b>

Net defined liability for the discontinuing operations is ₹ 109.50 Lakhs



## Movement in benefit obligation are as follows:

	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Opening defined benefit obligation	733	479
Current service cost	175	100
Past Service Cost	-	6
Interest on defined benefit obligation	38	21
Remeasurements due to:	-	-
Actuarial loss / (gain) arising from change in financial assumptions	4	(13)
Actuarial loss / (gain) arising from change in demographic assumptions	4	51
Actuarial loss / (gain) arising on account of experience changes	(27)	158
Benefits paid	(502)	(70)
<b>Closing defined benefit obligation</b>	<b>424</b>	<b>733</b>

## Change in fair value of plan assets are as follows:

	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Opening fair value of plan assets	355	250
Employer contributions	150	150
Interest on plan assets	18	12
Administration expenses	-	-
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	19	12
Benefits paid	(502)	(70)
<b>Closing fair value of plan assets</b>	<b>39</b>	<b>355</b>

The Company expects to contribute ₹ 15,000,000 to gratuity in the next year.

## The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Investment with insurer	100%	100%

## DISGREGATION OF PLAN ASSETS

A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:

	Period Ended		
	31-Mar-2019		
	(₹ in Lakhs)		
	Quoted	Non-Quoted	Total
Property	-	-	-
Government debt instrument	-	-	-
Other debt instruments	-	-	-
Entity's own equity instrument	-	-	-
Insurer managed funds	-	39	39
Other	-	-	-

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.





The principal assumptions used in determining gratuity obligations are shown below:

	31-Mar-2019	31-Mar-18
Discount rate		
Broking	7.00%	6.60%
Non-broking (discontinuing operations)	6.55%	6.60%
Expected rate of return on assets		
Broking	7.00%	7.00%
Non-broking (discontinuing operations)	6.55%	7.00%
Employee turnover		
For Broking		
Managerial		
Age : 21-44 years	20.00%	30.00%
Age : 45-59 years	1.00%	1.00%
Non-Managerial		
Age : 21-44 years	60.39%	70.00%
Age : 45-59 years	1.00%	1.00%
For Non Broking (discontinuing operations)		
Managerial		
Age : 21-44 years	35.00%	30.00%
Age : 45-59 years	1.00%	1.00%
Non-Managerial		
Age : 21-44 years	89.76%	70.00%
Age : 45-59 years	1.00%	1.00%
Salary escalation rate		
Broking	7.64%	7.00%
Non-broking (discontinuing operations)	6.82%	7.00%

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.

Estimated provision for defined benefit obligation for Key Managerial Persons is shown as below:

Key Managerial Person	Gratuity	Compensated Absence
	DBO (In ₹ lakhs )	
Post-employment benefit	10.20	1.96

#### SENSITIVITY ANALYSIS:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

	(₹ in Lakhs)	
	Period Ended 31-Mar-19	
	Discount Rate	Salary Escalation
Defined benefit obligation on increase in 50 bps	411	438
Impact of increase in 50 bps on DBO	-3.16%	3.23%
Defined benefit obligation on decrease in 50 bps	438	411
Impact of decrease in 50 bps on DBO	3.38%	3.05%

#### Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows) is 6.54 years

Expected cash flows over the next (valued on undiscounted basis):	(₹ in Lakhs)
1 years	103
2 to 5 years	191
6 to 9 years	73
10 years and above	392

### 33. INCOME TAX

The Company offsets tax assets and liabilities if and only if it has legally enforceable right to set off current taxes assets and current taxed liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

#### Deferred Tax :

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. The company has recognized DTA in books as per Indian GAAP to the extent of ₹ 573.71 Lakhs (Previous year : ₹ 385.71 Lakhs)



In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity

Deferred Tax Calculation	Balance Sheet	
	31-Mar-19 (₹ in Lakhs)	31-Mar-18 (₹ in Lakhs)
<b>Deferred tax Assets</b>		
Rent- Lease equalisation	135	119
Provision for doubtful debts	89	67
Retirement benefits	102	61
Others		8
Advance Subscription Income	629	461
Depreciation	167	37
<b>Deferred tax expense/(income)</b>	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>1,122</b>	<b>754</b>

Reflected in the balance sheet as follows:	31-Mar-19	31-Mar-18
	(₹ in Lakhs)	(₹ in Lakhs)
Deferred tax assets	1,122	754
Deferred tax liabilities	-	-
<b>Deferred tax Assets/(liabilities), net</b>	<b>1,122</b>	<b>754</b>

34. Estimated amount of contracts remaining to be executed on capital account and not provided for:

Commitment for addition/acquisition of broking software  
 Commitment for office equipment / furniture  
 Commitment for computer / servers  
 Commitment for ERP software  
 Commitment for leasehold improvement and other capital assets  
**Total**

	31-Mar-19 (₹ in Lakhs)	31-Mar-18 (₹ in Lakhs)
	233	173
	20	-
	189	-
	-	25
	41	318
<b>Total</b>	<b>483</b>	<b>517</b>

35. Expected credit loss

The company has adopted simplified method for ECL provision on receivables. The provision is made in following manner:-  
 Receivable outstanding for more than 90 days, 50% of the amount is provided. A further 50% is provided for if the outstanding is for more than 180 days.

		(₹ in Lakhs)			
Trade receivable days past due		0-90 days	90-180 days	More than 180	Total
ECL rate		0%	50%	100%	
<b>31-Mar-19</b>	Other Trade Receivable	342	91	187	620
	ECL- simplified approach	-	(45)	(187)	(233)
	<b>Net Amount</b>	<b>342</b>	<b>136</b>	<b>375</b>	<b>853</b>
<b>31-Mar-18</b>	Other Trade Receivable	136	38	160	334
	ECL- simplified approach	-	(17)	(153)	(170)
	<b>Net Amount</b>	<b>136</b>	<b>55</b>	<b>312</b>	<b>503</b>
<b>31-Mar-17</b>	Other Trade Receivable	1,884	28	138	2,050
	ECL- simplified approach	-	(8)	(110)	(118)
	<b>Net Amount</b>	<b>1,884</b>	<b>19</b>	<b>29</b>	<b>1,932</b>



The Company assesses allowance for expected credit losses for loans. The ECL allowance is assessed based on the 12 months' expected credit loss. ECL is calculated on collective basis for loans. The Company has not experienced any loss on its loan portfolio historically.

		(₹ in Lakhs)			
Loans days past due		0-90 days	90-180 days	More than 180 days	Total
ECL rate		0%	0%	0%	
<b>31-Mar-19</b>	Loans	10,262	-	-	10,262
	ECL	-	-	-	-
	<b>Net Amount</b>	<b>10,262</b>	-	-	<b>10,262</b>
<b>31-Mar-18</b>	Loans	11,462	-	-	11,462
	ECL	-	-	-	-
	<b>Net Amount</b>	<b>11,462</b>	-	-	<b>11,462</b>
<b>31-Mar-17</b>	Loans	8,440	-	-	8,440
	ECL	-	-	-	-
	<b>Net Amount</b>	<b>8,440</b>	-	-	<b>8,440</b>

36. At the beginning of the year there was no amount payable to any Micro, Small and/or Medium Enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006. The outstanding balance as on 31 March 2019 and 31 March 2018 are ₹ Nil.

The Company also has not received any claims against interest outstanding amount due to any vendor registered under Micro, Small and Medium Enterprises Development Act, 2006.

37. Outstanding bank guarantee issued on behalf of the Company:

	31-Mar-19 (₹ in Lakhs)	31-Mar-18 (₹ in Lakhs)
ICICI Bank	10,000	10,000
Bank of Baroda	5,500	-
Indusind Bank	1,840	3,400
<b>Total</b>	<b>17,340</b>	<b>13,400</b>

38. Earnings per share ('EPS')

	31-Mar-19 (₹ in Lakhs)	31-Mar-18 (₹ in Lakhs)
Profit / (loss) after tax	7,451	6,067
<b>Net profit / (loss) for calculation of basic and diluted EPS</b>	<b>7,451</b>	<b>6,067</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of equity shares in calculating basic and diluted EPS	144,500,000	144,500,000
<b>Basic earnings per share (₹)</b>	<b>5.16</b>	<b>4.20</b>
<b>Diluted earnings per share (₹)</b>	<b>5.16</b>	<b>4.20</b>

Particulars	31 March 2019	31 March 2018
	(₹ in Lakhs)	(₹ in Lakhs)
Profit attributable to equity holders of the parent:		
Continuing operations	3,116	3,881
discontinuing operation	4,335	2,186
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>7,451</b>	<b>6,067</b>
Weighted average number of Equity shares for basic EPS*	1,445	1,445
<b>Earnings per share:</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Basic EPS from continuing operation (₹)	2.16	2.69
Diluted EPS from continuing operation (₹)	2.16	2.69
Basic EPS from discontinuing operation (₹)	3.00	1.51
Diluted EPS from discontinuing operation (₹)	3.00	1.51





**39. Contingent liability :**

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

Claims against the Company not acknowledged as debt.					(₹ in Lakhs)
Nature of statute	Description	Forum where dispute is pending	As on 31 March	As on 31 March	
			2019	2018	
Stamp Act	Penalty on Stamp Duty	MP High Court	18	18	
Income Tax	Penalty	ITAT	5	5	
Income Tax	Income Tax	CIT (A)	280	307	

**Note:**

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. No provision has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

**40. Financial assets at FVTPL**

Category	Opening Stock		Closing Stock	
	Quantity	Value (₹ in Lakhs)	Quantity	Value (₹ in Lakhs)
Equity shares	Nil	Nil	Nil	Nil
Derivatives	Nil	Nil	Nil	Nil
Mutual funds	67,545	1300	Nil	Nil

**(b) Purchase and sale**

Category	Purchase		Sale	
	Quantity (in No.s)	Value (₹ in Lakhs)	Quantity (in No.s)	Value (₹ in Lakhs)
Equity shares	18,335	55	18,335	55
	(249,551)	(289)	(249,551)	(281)
Derivatives	6,290	110	6,290	110
	(60,330)	(364)	(60,330)	(363)
Mutual funds	6,714,797	134,679	6,782,342	136,154
	(3,679,748)	(69,918)	(3,612,203)	(68,683)

Equity shares and derivative transactions pertains to error trades.

**41. FAIR VALUES**

Set out below is a comparison by class of the carrying amount and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair value:

Financial Assets	(₹ in Lakhs)			
	Carrying Value		Fair Value	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Security Deposits	587	396	455	285
Investments (FVTPL)	-	1,300	-	1,302
Financial Liabilities	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Borrowings	-	2,468	-	2,468

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on the parameters such as interest rates.
- Fair value of the Deposits & Advances is measured using the DCF (discounting cash flow) model.

The fair value measurement of the financial liability of the Company being Commercial papers is done by transaction cost incurred in initial recognition is included in the initial recognition amount of the financial liability and charged to profit or loss using effective interest method. The own non-performance risk as at 31st March 2019 is assessed to be insignificant.

The management assessed that cash and cash equivalents, trade receivables, margin with exchanges, trade payables, bank balances and other current liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.





**FAIR VALUE HIERARCHY**

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31st March 2019 & 31st March 2018.

(₹ in Lakhs)

The following table provides the fair value measurement hierarchy of the Company's Assets					
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019					
	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant Observable inputs	Significant unobservable inputs
<b>Assets measured at Fair Value</b>					
Security Deposits	31.03.2019	455	-	-	455
Investments (FVTPL)	31.03.2019	-	-	-	-

(₹ in Lakhs)

The following table provides the fair value measurement hierarchy of the Company's Assets					
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2018					
	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant Observable inputs	Significant unobservable inputs
<b>Assets measured at Fair Value</b>					
Security Deposits	31.03.2019	285	-	-	285
Investments (FVTPL)	31.03.2019	1,302	1,302	-	-

(₹ in Lakhs)

Fair value hierarchy					
The following table provides the fair value measurement hierarchy of the Company's Liabilities					
Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March 2019					
	Date of Valuation	Total	Fair value measurement using		
			active markets	Observable	unobservable
<b>Liabilities measured at Fair Value</b>					
Borrowing	31.03.2019	-	-	-	-

(₹ in Lakhs)

Fair value hierarchy					
The following table provides the fair value measurement hierarchy of the Company's Liabilities					
Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March 2018					
	Date of Valuation	Total	Fair value measurement using		
			active markets	Observable	unobservable
<b>Liabilities measured at Fair Value</b>					
Borrowing	31.03.2018	2,468	2,468	-	-

**Assets and liabilities by fair value hierarchy**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

**31 March 2019**

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Security Deposits	-	-	455	455
Investments (FVTPL)	-	-	-	-
Borrowing	-	-	-	-

**31 March 2018**

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Security Deposits	-	-	285	285
Investments (FVTPL)	1,302	-	-	1,302
Borrowing	-	-	2,468	2,468

**1 April 2017**

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Security Deposits	-	-	410	410
Investments (FVTPL)	-	-	-	-
Borrowing	-	-	-	-



## 42. Finance Cost

Particulars	31-Mar-19 (₹ in Lakhs)	31-Mar-18 (₹ in Lakhs)
Interest on ODBD	47	169
Interest on ODFD	25	42
Interest on Inter Division	10	45
Interest on CP	64	118
BG Commission	82	56
	<b>227</b>	<b>430</b>

## 43. CSR expenditure

	31-Mar-19 (₹ in Lakhs)	31-Mar-18 (₹ in Lakhs)
Gross amount required to be spent by the company during the year	151	134
	<b>151</b>	<b>134</b>

## (a) Amount spent during the year ending on 31st March, 2019:

	In cash (₹ in Lakhs)	Yet to be paid in cash (₹ in Lakhs)	Total (₹ in Lakhs)
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	151	-	151

## (b) Amount spent during the year ending on 31st March, 2018:

	In cash (₹ in Lakhs)	Yet to be paid in cash (₹ in Lakhs)	Total (₹ in Lakhs)
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	134	-	134

## 44A. Reconciliation of equity and profit reported in accordance with previous Indian GAAP and Ind AS to explain how the transition from the previous Indian GAAP to Ind AS effected is provided below:-

Reconciliation of Total equity	31-Mar-19	31-Mar-18	(₹ in Lakhs) 1-Apr-17
<b>Total equity as per Indian GAAP</b>	<b>34,168</b>	<b>26,421</b>	<b>22,734</b>
<b>Adjustments</b>			
Amortization of Subscription income	(1,801)	(1,333)	(1,477)
Tax effects of adjustment	629	466	516
<b>Total adjustments</b>	<b>(1,172)</b>	<b>(867)</b>	<b>(961)</b>
<b>Total equity as per Ind AS</b>	<b>32,997</b>	<b>25,554</b>	<b>21,773</b>

## Net Profit Reconciliation is as under:-

Particulars	31-Mar-19	31-Mar-18	(₹ in Lakhs)
<b>Net profit after tax reported under Indian GAAP</b>	<b>7,747</b>	<b>6,035</b>	
<b>Adjustments</b>			
Amortization of Subscription income	(468)	143	
Adjustment due to fair valuation of employee stock options	(155)	(126)	
Actuarial gain/loss on valuation of gratuity	(39)	184	
Tax effects of adjustment	177	(113)	
<b>Total adjustments</b>	<b>(485)</b>	<b>87</b>	
<b>Net profit after tax as per Ind AS</b>	<b>7,262</b>	<b>6,123</b>	
Other comprehensive income, net of tax	189	(56)	
<b>Total comprehensive income</b>	<b>7,451</b>	<b>6,067</b>	

Footnotes to the reconciliation of equity as at 1 April 2017 and 31 March 2018 and profit or loss for the ended 31 March 2018

## a. FVTPL Financial assets

Under Indian GAAP, the company accounted for short term investment in quoted liquid mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investment. Under Ind AS, the company has designated such investment as FVTPL investment. Ind AS requires FVTPL investment to be measured at fair value. As at the date of transition to Ind AS, there is no such investment in the balancesheet.

## b. Trade receivable

Under Indian GAAP, the company has created provision for impairment of receivables. Under Ind AS, the Company has adopted simplified method for computation of Expected Loss Model (ECL). The simplified approach is similar to model used under Indian GAAP. Hence there has been no impact on account of application of ECL model under Ind AS



Notes forming part of the financial statements

**c. Reclassification of subscription income**

Under Indian GAAP, the subscription income was amortised over the period of the plan. Under Ind AS, the subscription income is recognised on the basis of utilisation of turnover provided under the plan. Consequently reclassification adjustment is recorded for the same.

**d. Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the group recognised costs related to its post-employment defined plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of asset ceiling, excluding amount included in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balancesheet with as corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹183.57 lakhs and ₹85.63 lakhs for year ended 31 March 2018 and 31 March 2017 respectively and remeasurement gains / losses on defined benefit plans has been recognised in the OCI net of tax

**e. Security deposit**

Under Indian GAAP, interest free security deposit for leasehold premises is taken at carrying value in the balance sheet. Under Ind AS, the security deposit value has been discounted to present value at each balancesheet date starting the date of transition i.e 1 April 2017.

The impact of EIR on Security deposit is ₹ 8.40 lakhs (discounting rate 6.00%) and ₹ 12.70 lakhs (discounting rate 6.85%) for financial year ending 31 March 2018 and 31 March 2019 respectively

**f. Deferred tax**

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind As 12 requires entities to account for deferred taxes using balancesheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has not resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP

**g. Other comprehensive income**

Under Indian GAAP, the company has not presented other comprehensive (OCI) separately. Hence it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS

**h. Statement of cash flows**

The transition from Indian GAAP to Ind As has not a material impact on the statement of cash flows





## 44B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

Particulars	31 March 2019	31 March 2018
	(₹ in Lakhs)	(₹ in Lakhs)
Accounting profit before tax from continuing operations	4,551	6,215
Profit/(loss) before tax from a discontinuing operations	6,693	3,273
Accounting profit before income tax	11,245	9,488
At India's statutory income tax rate of 30% (31 March 2019: 30%)	3,373	2,846
Adjustments in respect of conversion from Indian GAAP to Ind AS	199	(60)
Adjustments in respect of current income tax of previous years	-	(12)
Timing difference in gratuity as per Ind As	(14)	10
Timing difference in subscription as per Ind As	(140)	43
Timing difference in Fixed Assets	(111)	(57)
Deductions u/s Chapter VIA	(20)	(15)
Non-deductible expenses for tax purposes:		
Impairment of business expenses	7	22
Other non-deductible expenses	76	122
Short Term Capital Gains	53	19
At the effective income tax rate of 27% (31 March 2018: 34%)	3,422	2,919
Income tax expense reported in the statement of profit and loss	3,422	2,919
Surcharge	411	350
Education Cess	153	98
Excess Provision for Last year	-	(1)
DTA Rate change effect	(3)	-
Income tax expense reported in the statement of profit and loss	3,983	3,367
Income tax attributing to round off	1	1
Income tax expense reported in the statement of profit and loss	3,983	3,366

## 45. Share based payments

Employee Stock Options granted by holding company

During the year, the holding company issued 74,000 [Previous year: 83,000] of stock options to some employees of the holding company who are on deputation with the Company. Further the holding company has also issued 20,000 [Previous year: 20,000] stock options directly to the employees of the Company. Since these stock options are issued by the holding company directly to the employees of the Company or holding company and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financial statements.

The expense recognised for employee services (company's employee) received during the year is shown in the following table

	(₹ in Lakhs)	
	31-Mar-19	31-Mar-18
Expense arising from equity-settled share-based payment transactions	155	126
	155	126

## 46. Segment Reporting

The business of the Company was divided into two segments: marketing of financial products and resources management and retail broking.

**Nature of segment:**

- Non-Broking: Division was involved in the business of marketing of third party retail asset products including providing resource management services.
- Broking: The division is involved in providing retail broking services, distribution of IPO, mutual funds and portfolio management products.

During the year, the Company has discontinued operations related to Non-Broking division. Hence the Company has only one reportable segment i.e. Broking, therefore, the Company has not disclosed segment information.

## 47. Previous year comparatives

Previous year figures have been regrouped and reclassified, wherever necessary to conform to current year's presentation.





Axis Securities Limited

Notes forming part of the financial statements

48. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants



per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380

Place : Mumbai  
Date : 12 April 2019



For and on behalf of the board of Directors



Arun Thukral  
Managing Director & CEO  
DIN No: 03043072  
Date : 12 April 2019



Hemant Kumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Date : 12 April 2019



Anand Shaha  
Whole-time Director  
DIN No: 02421213  
Date : 12 April 2019



Lovelina Faroz  
Company Secretary  
PAN: AARPF3613K  
Date : 12 April 2019

