

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Fifth Annual Report** of your Company together with the Audited Statement of Accounts for the financial year, April 1, 2013 to March 31, 2014. During the year your Company registered a net profit of Rs. 161.81 Lakhs.

FINANCIAL RESULTS

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

Particulars	Amount (Rs. In Lakhs)	
	Financial Year Ended 31.03.2014	Financial Year Ended 31.03.2013
Gross income	8770.41	6024.77
Expenses	8608.59	6658.28
Profit/(Loss) before Tax	161.81	(633.51)
Provision for Taxation	0.00	0.00
Profit/(Loss) after Tax	161.81	(633.51)
Profit available for appropriation	161.81	(633.51)
APPROPRIATIONS		
Transfer to General Reserve	-	-
Transfer to Contingency Reserve	-	-
Balance after appropriations	161.81	(633.51)
Balance Profit /(Loss) Carried Forward	(12236.24)	(12398.05)

As on March 31, 2014 the issued share capital of the Company was Rs. 174,00,00,000/- divided into 17,40,00,000 equity shares of Rs. 10/- each.

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

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

DIVIDENDS

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

OPERATIONS (HIGHLIGHTS OF PERFORMANCE)

MUTUAL FUND ACTIVITY

Axis AMC maintained its strong growth path and achieved a new peak AUM this year. Axis AMC continued to focus on facilitating the introduction of retail investors through a combination of risk managed products and easy to use services. This is borne by the fact that our investor base grew to 572,192. A key feature of this growth was that we managed to add over 62,000 investors in our retail oriented Hybrid and Capital

Protection series funds. KYC formalities were completed for over 53,000 investors. On the service front major enhancements were introduced like the following:

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

We further upgraded our Easy Call infrastructure to service the increasing number of retail investors. We continue to invest in our branch infrastructure with 5 more dedicated branches getting added this year. We maintain our presence in over 78 cities.

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

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

17	Axis Fixed Term Plan – Series 49 (437) Days	Close Ended	03-Feb-14	Rs.192.45 Crores
18	Axis Fixed Term Plan – Series 50 (3 Months)	Close Ended	30-Jan-14	Rs.20.64 Crores
19	Axis Fixed Term Plan – Series 52 (428 Days)	Close Ended	13-Feb-14	Rs.85.54 Crores
20	Axis Fixed Term Plan – Series 53 (1150 Days)	Close Ended	12-Feb-14	Rs.26.89 Crores
21	Axis Yearly Interval Fund - Series 1 (367 Days)	Interval	17-Feb-14	Rs.22.03 Crores
22	Axis Fixed Term Plan – Series 55 (399 Days)	Close Ended	28-Feb-14	Rs.425.64 Crores
23	Axis Fixed Term Plan – Series 56 (370 Days)	Close Ended	05-Mar-14	Rs.61.44 Crores
24	Axis Fixed Term Plan – Series 57 (397 Days)	Close Ended	06-Mar-14	Rs.29.38 Crores
25	Axis Fixed Term Plan – Series 59 (391 Days)	Close Ended	12-Mar-14	Rs.103.20 Crores
26	Axis Fixed Term Plan – Series 60 (389 Days)	Close Ended	14-Mar-14	Rs.178.64 Crores
27	Axis Fixed Term Plan – Series 61 (1122 Days)	Close Ended	20-Mar-14	Rs.21.17 Crores
28	Axis Fixed Term Plan – Series 62 (383 Days)	Close Ended	20-Mar-14	Rs.41.51 Crores
29	Axis Fixed Term Plan – Series 63 (91 Days)	Close Ended	21-Mar-14	Rs.20.44 Crores

Performance of the schemes of Axis Mutual Fund for the period ended March 31, 2014 – Annexure 1

* Past performance may or may not be sustained in future. Calculations are based on Growth Option NAV. Above data excludes schemes which have not completed a year.

PORTFOLIO MANAGEMENT SERVICES

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

DIRECTORS

Mr. Lester Gray, Nominee of Schroder Singapore Holdings Private Limited resigned as the Director of the Company on October 20, 2013. Mr. Richard Anthony Mountford was appointed to fill the casual vacancy caused on his resignation w.e.f. October 24, 2013.

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations Ms. Shikha Sharma is proposed to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, Mr. U. R. Bhat, Mr. T. S. Narayanasami, Mr. Pranesh Misra and Mr. Ashok Sinha is proposed to be appointed as Independent Directors on the Board of Directors of the Company and shall not retire by rotation.

PUBLIC DEPOSITS

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, the other requirements of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are also not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Income from Foreign Currency – Rs.23,382,945 (Previous year: Rs.3,776,496)
- b) Payments in Foreign Currency (Rs.)

Particulars	March 31, 2014	March 31, 2013
Traveling, lodging and conveyance	688,511	694,278
Scheme related expenses	86,496	Nil
PMS related expenses	Nil	58,782
Computer and software related cost	282,890	Nil
Total	1,057,897	753,060

COMMITTEES OF THE BOARD OF DIRECTORS AND MANAGEMENT

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

CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

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

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

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

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee of the Board of Directors has been constituted to comply with the provisions of the Companies Act, 1956 and ensure better standards of Corporate Governance.

As on March 31, 2014, the Nomination and Remuneration Committee consists of the following directors:

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

CONSTITUTION OF SHARE ALLOTMENT COMMITTEE

A Share Allotment Committee of the Board of Directors has been constituted to comply with the provisions of the Companies Act, 1956.

As on March 31, 2014, the Share Allotment Committee consists of the following directors:

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

AUDITORS

The Auditors, M/s Haribhakti & Co, Chartered Accountants having firm registration number 103523W, retire at the ensuing Annual General Meeting and are eligible for re-appointment, subject to the approval of the members. As recommended by the Audit Committee, the Board has proposed the re-appointment of M/s Haribhakti & Co., Chartered Accountants as Statutory Auditors to hold the office from the conclusion of this meeting to the conclusion of the 10th Annual General Meeting. The shareholders are requested to consider their appointment.

EMPLOYEES

The statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the rules made there under, is given in an Annexure and forms part of this report. Any member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

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

ACKNOWLEDGEMENT

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

for and on behalf of the Board of Directors

Place: Mumbai

Date: April, 2014


Director


Director

	March 31, 2011 to March 30, 2012	March 30, 2012 to March 28, 2013	March 28, 2013 to March 31, 2014	Since Inception	Current value of investments if Rs.10,000 was invested on inception date	Date of inception
	Absolute Return (%)	Absolute Return (%)	Absolute Return (%)	CAGR (%)		
Axis Equity Fund - Growth	-6.17%	17.10%	19.80%	9.20%	14,520	05-Jan-10
CNX Nifty Index (Benchmark)	-9.23%	7.31%	17.98%	5.81%	12,702	
Axis Equity Fund - Direct	-	-	21.00%	16.26%	12,061	01-Jan-13
CNX Nifty Index (Benchmark)	-	-	17.98%	10.06%	11,266	
Axis Focused 25 Fund - Growth	-	-	12.06%	14.30%	12,640	29-Jun-12
CNX Nifty Index (Benchmark)	-	-	17.98%	14.60%	12,700	
S&P BSE 200 (Additional Benchmark)	-	-	17.19%	13.78%	12,541	01-Jan-13
Axis Focused 25 Fund - Direct	-	-	13.29%	7.72%	10,969	
CNX Nifty Index (Benchmark)	-	-	17.98%	10.06%	11,266	
S&P BSE 200 (Additional Benchmark)	-	-	17.19%	7.66%	10,961	
Axis Long Term Equity Fund - Growth	0.73%	13.14%	35.40%	16.53%	19,171	29-Dec-09
S&P BSE 200 (Benchmark)	-9.28%	6.03%	17.19%	5.05%	12,333	
CNX Nifty Index (Additional Benchmark)	-9.23%	7.31%	17.98%	6.21%	12,923	01-Jan-13
Axis Long Term Equity Fund - Direct	-	-	36.76%	23.64%	13,020	
S&P BSE 200 (Benchmark)	-	-	17.19%	7.66%	10,961	
CNX Nifty Index (Additional Benchmark)	-	-	17.98%	10.06%	11,266	
Axis Midcap Fund - Growth	3.42%	15.30%	24.98%	14.53%	15,260	18-Feb-11
S&P BSE Midcap (Benchmark)	-7.67%	-3.22%	15.32%	1.99%	10,632	
CNX Nifty Index (Additional Benchmark)	-9.23%	7.31%	17.98%	6.82%	12,281	01-Jan-13
Axis Midcap Fund - Direct	-	-	26.08%	10.04%	11,264	
S&P BSE Midcap (Benchmark)	-	-	15.32%	-1.28%	9,841	
CNX Nifty Index (Additional Benchmark)	-	-	17.98%	10.06%	11,266	
Axis Triple Advantage Fund - Growth	8.40%	9.88%	5.92%	7.66%	13,051	23-Aug-10
35% of CNX Nifty + 35% of Crisil Composite Bond Fund Index + 30% Of INR Price of Gold (Benchmark)	9.10%	6.92%	5.02%	7.73%	13,078	
CNX Nifty Index	-9.23%	7.31%	17.98%	5.41%	12,094	
Additional Benchmark	Not Applicable					
Axis Triple Advantage Fund - Direct	-	-	6.73%	3.05%	10,380	01-Jan-13
35% of CNX Nifty + 35% of Crisil Composite Bond Fund Index + 30% Of INR Price of Gold (Benchmark)	-	-	5.02%	2.11%	10,263	
CNX Nifty Index	-	-	17.98%	10.06%	11,266	
Additional Benchmark	Not Applicable					
Axis Income Saver - Growth	5.30%	7.26%	9.16%	6.85%	12,778	16-Jul-10
Crisil MIP Blended Fund Index (Benchmark)	5.24%	9.06%	6.43%	6.71%	12,716	
Additional Benchmark	Not Applicable					04-Jan-13
Axis Income Saver - Direct	-	-	10.22%	7.88%	10,976	
Crisil MIP Blended Fund Index (Benchmark)	-	-	6.43%	5.58%	10,689	
Additional Benchmark	Not Applicable					
Axis Constant Maturity 10 Year Fund - Growth	-	9.53%	-0.23%	3.66%	10,814	23-Jan-12
Crisil 10 Year Gilt Index (Benchmark)	-	11.25%	-1.01%	4.04%	10,901	
Axis Constant Maturity 10 Year Fund - Direct	-	-	0.22%	1.51%	10,187	01-Jan-13
Crisil 10 Year Gilt Index (Benchmark)	-	-	-1.01%	0.93%	10,116	
Axis Dynamic Bond Fund - Growth	-	10.43%	4.57%	7.88%	12,480	27-Apr-11
Crisil Composite Bond Fund Index (Benchmark)	-	9.24%	4.32%	7.14%	12,231	
Additional Benchmark	-	Not Applicable				01-Jan-13
Axis Dynamic Bond Fund - Direct	-	-	5.88%	6.96%	10,867	
Crisil Composite Bond Fund Index (Benchmark)	-	-	4.32%	4.98%	10,619	
Additional Benchmark	-	Not Applicable				
Axis Income Fund - Growth	-	10.48%	4.85%	7.63%	11,583	28-Mar-12
Crisil Composite Bond Fund Index (Benchmark)	-	9.24%	4.32%	6.78%	11,402	
Crisil 10 Year Gilt Index (Additional Benchmark)	-	11.25%	-1.01%	5.12%	11,050	07-Jan-13
Axis Income Fund - Direct	-	-	5.66%	6.20%	10,761	
Crisil Composite Bond Fund Index (Benchmark)	-	-	4.32%	4.69%	10,574	
Crisil 10 Year Gilt Index (Additional Benchmark)	-	-	-1.01%	0.33%	10,041	
Axis Banking Debt Fund - Growth	-	-	9.37%	9.13%	11,707	06-Jun-12
Crisil Short Term Bond Fund Index (Benchmark)	-	-	8.78%	8.87%	11,655	
Crisil 1 Year T-Bill Index (Additional Benchmark)	-	-	5.77%	6.77%	11,254	01-Jan-13
Axis Banking Debt Fund - Direct	-	-	9.57%	9.16%	11,144	

Crisil Short Term Bond Fund Index (Benchmark)	-	-	8.78%	8.71%	11,087	
Crisil 1 Year T-Bill Index (Additional Benchmark)	-	-	5.77%	6.36%	10,791	
Axis Short Term Fund - Growth	8.99%	10.10%	7.61%	7.89%	13,735	22-Jan-10
Crisil Short Term Bond Fund Index (Benchmark)	8.28%	9.05%	8.78%	7.66%	13,613	
Crisil 1 Year T-Bill Index (Additional Benchmark)	6.59%	8.33%	5.77%	5.98%	12,748	
Axis Short Term Fund - Retail Plan - Growth	-	-	8.51%	8.65%	11,079	01-Jan-13
Crisil Short Term Bond Fund Index (Benchmark)	-	-	8.78%	8.71%	11,087	
Crisil 1 Year T-Bill Index (Additional Benchmark)	-	-	5.77%	6.36%	10,791	
Axis Short Term Fund - Direct	8.63%	9.70%	7.62%	7.79%	13,575	02-Mar-10
Crisil Short Term Bond Fund Index (Benchmark)	8.28%	9.05%	8.78%	7.81%	13,585	
Crisil 1 Year T-Bill Index (Additional Benchmark)	6.59%	8.33%	5.77%	6.08%	12,717	
Axis Treasury Advantage Fund - Growth	9.47%	9.32%	9.68%	8.32%	14,290	09-Oct-09
Crisil Liquid Fund Index (Benchmark)	8.44%	8.17%	9.46%	7.56%	13,847	
Crisil 1 Year T-Bill Index (Additional Benchmark)	6.59%	8.33%	5.77%	5.77%	12,847	
Axis Treasury Advantage Fund - Retail Plan - Growth	-	-	10.04%	9.81%	11,226	01-Jan-13
Crisil Liquid Fund Index (Benchmark)	-	-	9.46%	9.22%	11,151	
Crisil 1 Year T-Bill Index (Additional Benchmark)	-	-	5.77%	6.36%	10,791	
Axis Treasury Advantage Fund - Direct	8.88%	8.43%	8.73%	8.03%	13,695	03-Mar-10
Crisil Liquid Fund Index (Benchmark)	8.44%	8.17%	9.46%	8.01%	13,684	
Crisil 1 Year T-Bill Index (Additional Benchmark)	6.59%	8.33%	5.77%	6.08%	12,717	
Axis Liquid Fund - Growth	9.39%	9.36%	9.32%	8.17%	14,210	09-Oct-09
Crisil Liquid Fund Index (Benchmark)	8.44%	8.26%	9.46%	7.56%	13,858	
Crisil 1 Year T-Bill Index (Additional Benchmark)	6.59%	8.39%	5.77%	5.77%	12,855	
Axis Liquid Fund - Retail Plan - Growth	-	-	9.39%	9.30%	11,173	31-Dec-12
Crisil Liquid Fund Index (Benchmark)	-	-	9.46%	9.22%	11,162	
Crisil 1 Year T-Bill Index (Additional Benchmark)	-	-	5.77%	6.39%	10,803	
Axis Liquid Fund - Direct	8.96%	8.91%	8.77%	8.17%	13,780	01-Mar-10
Crisil Liquid Fund Index (Benchmark)	8.44%	8.26%	9.46%	8.01%	13,697	
Crisil 1 Year T-Bill Index (Additional Benchmark)	6.59%	8.39%	5.77%	6.08%	12,727	
Axis Gold ETF	34.31%	3.71%	-7.90%	8.34%	13,121	10-Nov-10
Gold (INR)	32.97%	2.59%	-10.77%	6.80%	12,496	
Axis Gold Fund	-	3.96%	-5.19%	1.80%	10,447	20-Oct-11
Gold (INR)	-	2.59%	-10.77%	-1.64%	9,604	
Axis Gold Fund - Direct	-	-	-3.97%	-5.92%	9,269	01-Jan-13
Gold (INR)	-	-	-10.77%	-12.05%	8,524	
Axis Capital Protection Oriented Fund - Series	-	-1.04%	14.26%	13.11%	13,328	28-Nov-11
Crisil MIP Blended Fund Index	-	9.06%	6.43%	8.53%	12,102	
Axis Capital Protection Oriented Fund - Series	-	-2.60%	14.48%	11.21%	12,758	12-Dec-11
Crisil MIP Blended Fund Index	-	9.06%	6.43%	8.44%	12,041	
Axis Capital Protection Oriented Fund - Series	-	-3.45%	17.56%	13.19%	13,208	29-Dec-11
Crisil MIP Blended Fund Index	-	9.06%	6.43%	8.70%	12,060	
Axis Capital Protection Oriented Fund - Series	-	4.24%	16.01%	9.28%	12,089	07-Feb-12
Crisil MIP Blended Fund Index	-	9.06%	6.43%	7.50%	11,670	
Axis Capital Protection Oriented Fund - Series	-	-	10.31%	11.06%	11,581	02-Nov-12
Crisil MIP Blended Fund Index	-	-	6.43%	6.77%	10,961	
Axis Hybrid Fund - Series 1	-	-0.28%	10.71%	9.47%	12,664	18-Aug-11
Crisil MIP Blended Fund Index	-	9.06%	6.43%	8.10%	12,254	
Axis Hybrid Fund - Series 2	-	-1.51%	12.62%	10.01%	12,763	07-Sep-11
Crisil MIP Blended Fund Index	-	9.06%	6.43%	7.89%	12,143	
Axis Hybrid Fund - Series 3	-	0.47%	10.62%	10.80%	12,888	07-Oct-11
Crisil MIP Blended Fund Index	-	9.06%	6.43%	8.40%	12,209	
Axis Hybrid Fund - Series 5 - Growth	-	-	-	10.84%	11,084	25-Jul-13
Axis Hybrid Fund - Series 5 - Direct	-	-	-	11.59%	11,159	
Crisil MIP Blended Fund Index	-	-	-	6.24%	10,624	
Axis Hybrid Fund - Series 6 - Growth	-	-	-	12.53%	11,253	16-Aug-13
Axis Hybrid Fund - Series 6 - Direct	-	-	-	13.25%	11,325	
Crisil MIP Blended Fund Index	-	-	-	9.49%	10,949	
Axis Hybrid Fund - Series 7 - Growth	-	-	-	11.48%	11,148	05-Sep-13
Axis Hybrid Fund - Series 7 - Direct	-	-	-	12.18%	11,218	
Crisil MIP Blended Fund Index	-	-	-	6.82%	10,682	

Axis Hybrid Fund - Series 8 - Growth	-	-	-	3.00%	10,300	24-Jan-14
Axis Hybrid Fund - Series 8 - Direct	-	-	-	3.20%	10,320	
Crisil MIP Blended Fund Index	-	-	-	2.18%	10,218	
Axis Hybrid Fund - Series 9 - Growth	-	-	-	2.92%	10,292	13-Feb-14
Axis Hybrid Fund - Series 9 - Direct	-	-	-	3.05%	10,305	
Crisil MIP Blended Fund Index	-	-	-	3.20%	10,320	
AXIS FIXED TERM PLAN - SERIES 34 - Growth	-	-	-	9.14%	10,914	13-Mar-13
AXIS FIXED TERM PLAN - SERIES 34 - Direct	-	-	-	9.20%	10,920	
Crisil Short Term Bond Fund Index (Benchmark)	-	-	-	8.87%	10,887	
AXIS FIXED TERM PLAN - SERIES 41 - Growth	-	-	-	4.46%	10,446	09-Oct-13
AXIS FIXED TERM PLAN - SERIES 41 - Direct	-	-	-	4.56%	10,456	
Crisil Short Term Bond Fund Index (Benchmark)	-	-	-	4.24%	10,424	
Axis Fixed Term Plan Series 42 - Growth	-	-	-	3.57%	10,357	30-Oct-13
Axis Fixed Term Plan Series 42 - Direct	-	-	-	3.74%	10,374	
Crisil Short Term Bond Fund Index	-	-	-	3.79%	10,379	
Axis Fixed Term Plan Series 43 - Growth	-	-	-	2.74%	10,274	10-Dec-13
Axis Fixed Term Plan Series 43 - Direct	-	-	-	2.87%	10,287	
Crisil Short Term Bond Fund Index	-	-	-	3.00%	10,300	
Axis Fixed Term Plan Series 47 - Growth	-	-	-	1.94%	10,194	15-Jan-14
Axis Fixed Term Plan Series 47 - Direct	-	-	-	2.03%	10,203	
Crisil Short Term Bond Fund Index	-	-	-	1.97%	10,197	
Axis Fixed Term Plan Series 48 - Growth	-	-	-	1.91%	10,191	17-Jan-14
Axis Fixed Term Plan Series 48 - Direct	-	-	-	2.00%	10,200	
Crisil Short Term Bond Fund Index	-	-	-	1.90%	10,190	
Axis Fixed Term Plan Series 50 - Growth	-	-	-	1.46%	10,146	30-Jan-14
Axis Fixed Term Plan Series 50 - Direct	-	-	-	1.49%	10,149	
Crisil Liquid Fund Index	-	-	-	1.77%	10,177	
Axis Small Cap Fund - Growth	-	-	-	13.30%	11,330	29-Nov-13
Axis Small Cap Fund - Direct	-	-	-	13.70%	11,370	
CNX Small-cap Index	-	-	-	15.99%	11,599	
AXIS YEARLY INTERVAL FUND - SERIES 1 - Growth	-	-	-	1.48%	10,148	17-Feb-14
AXIS YEARLY INTERVAL FUND - SERIES 1 - Direct	-	-	-	1.53%	10,153	
CRISIL Short Term Bond Fund Index	-	-	-	1.38%	10,138	
AXIS FIXED TERM PLAN - SERIES 49 - Growth	-	-	-	1.62%	10,162	03-Feb-14
AXIS FIXED TERM PLAN - SERIES 49 - Direct	-	-	-	1.71%	10,171	
Crisil Short-Term Bond Fund Index	-	-	-	1.67%	10,167	
AXIS FIXED TERM PLAN - SERIES 52 - Growth	-	-	-	1.35%	10,135	13-Feb-14
AXIS FIXED TERM PLAN - SERIES 52 - Direct	-	-	-	1.42%	10,142	
Crisil Short-Term Bond Fund Index	-	-	-	1.48%	10,148	
AXIS FIXED TERM PLAN - SERIES 53 - Growth	-	-	-	1.06%	10,106	12-Feb-14
AXIS FIXED TERM PLAN - SERIES 53 - Direct	-	-	-	1.12%	10,112	
Crisil Composite Bond Fund Index	-	-	-	1.46%	10,146	
AXIS FIXED TERM PLAN - SERIES 55 - Growth	-	-	-	1.21%	10,121	28-Feb-14
AXIS FIXED TERM PLAN - SERIES 55 - Direct	-	-	-	1.25%	10,125	
Crisil Short-Term Bond Fund Index	-	-	-	1.11%	10,111	
AXIS FIXED TERM PLAN - SERIES 56 - Growth	-	-	-	1.25%	10,125	05-Mar-14
AXIS FIXED TERM PLAN - SERIES 56 - Direct	-	-	-	1.28%	10,128	
Crisil Short-Term Bond Fund Index	-	-	-	0.97%	10,097	

AXIS FIXED TERM PLAN – SERIES 57 - Growth	-	-	-	0.97%	10,097	06-Mar-14
AXIS FIXED TERM PLAN – SERIES 57 - Direct	-	-	-	1.00%	10,100	
Crisil Short-Term Bond Fund Index	-	-	-	0.94%	10,094	
AXIS FIXED TERM PLAN – SERIES 59 - Growth	-	-	-	0.78%	10,078	12-Mar-14
AXIS FIXED TERM PLAN – SERIES 59 - Direct	-	-	-	0.80%	10,080	
Crisil Short-Term Bond Fund Index	-	-	-	0.64%	10,064	
AXIS FIXED TERM PLAN – SERIES 60 - Growth	-	-	-	0.69%	10,069	14-Mar-14
AXIS FIXED TERM PLAN – SERIES 60 - Direct	-	-	-	0.71%	10,071	
Crisil Short-Term Bond Fund Index	-	-	-	0.58%	10,058	
AXIS FIXED TERM PLAN – SERIES 61 - Growth	-	-	-	0.14%	10,014	20-Mar-14
AXIS FIXED TERM PLAN – SERIES 61 - Direct	-	-	-	0.16%	10,016	
Crisil Composite Bond Fund Index	-	-	-	0.49%	10,049	
AXIS FIXED TERM PLAN – SERIES 62 - Growth	-	-	-	0.45%	10,045	20-Mar-14
AXIS FIXED TERM PLAN – SERIES 62 - Direct	-	-	-	0.45%	10,045	
Crisil Short-Term Bond Fund Index	-	-	-	0.36%	10,036	
AXIS FIXED TERM PLAN – SERIES 63 - Growth	-	-	-	0.33%	10,033	21-Mar-14
AXIS FIXED TERM PLAN – SERIES 63 - Direct	-	-	-	0.33%	10,033	
Crisil Liquid Fund Index	-	-	-	0.28%	10,028	

HARIBHAKTI & CO.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Axis Asset Management Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Asset Management Company Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;



- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
and
(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W



Rakesh Rathi

Partner

Membership No.45228



Mumbai: April 11, 2014

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Axis Asset Management Company Ltd on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) The clause (ii) of Para 4 of the Companies (Auditor's Report) Order, 2003 (as amended) is not reported upon as it is not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable to the Company.
 - (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions stated in paragraph 4 (iii) (f) and (g) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) According to the information and explanations given to us, we are of the opinion that the Company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Act.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.



HARIBHAKTI & CO.

Chartered Accountants

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The clause (viii) of Para 4 of the Companies (Auditor's Report) Order, 2003 (as amended) is not reported upon as it is not applicable to the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, profession tax and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, profession 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.

(c) According to the information and explanation given to us, there are no dues of income tax, service tax and profession tax which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit but it has incurred cash losses in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any loan from Financial Institution, Bank and the Company has not issued any Debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) is not reported upon as it is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.



HARIBHAKTI & CO.

Chartered Accountants

- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523W



Rakesh Rathi

Partner

Membership No. 45228

Mumbai: April 11, 2014



AXIS ASSET MANAGEMENT COMPANY LIMITED

Amount in ₹

Balance Sheet as at	Notes	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,740,000,000	1,740,000,000
Reserves and surplus	3	(1,223,623,658)	(1,239,804,975)
		516,376,342	500,195,025
Non-current liabilities			
Other long-term liabilities	4	372,182,792	95,053,353
Long-term provisions	5	66,971,527	38,444,851
		439,154,319	133,498,204
Current liabilities			
Trade payables	6	485,404,162	314,860,224
Other current liabilities	7	5,084,045	4,867,069
Short-term provisions	5	108,233,018	84,213,585
		598,721,225	403,940,878
TOTAL		1,554,251,886	1,037,634,107
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		22,113,792	11,927,684
Intangible assets		8,342,845	2,886,364
Intangible assets under development		3,935,471	1,630,871
		34,392,108	16,444,919
Long-term loans and advances	9	631,724,648	303,920,187
Current assets			
Current investments	10	158,000,000	221,200,000
Trade receivables	11	117,423,880	79,070,360
Cash and cash equivalents	12	1,348,202	1,038,798
Short-term loans and advances	9	611,363,048	415,959,843
		888,135,130	717,269,001
TOTAL		1,554,251,886	1,037,634,107

Note:

Significant accounting policies

1

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

As per our report attached

For Haribhakti & Co.

Chartered Accountants

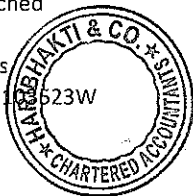
Firm Registration No.: 100623W




Rakesh Rathi

Partner

Membership No.: 45228



For and on behalf of the Board



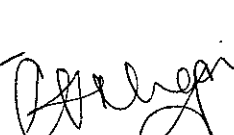
Shikha Sharma

Chairperson



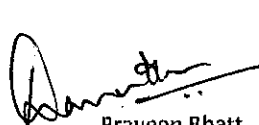
U R Bhat

Director



Chandresh Kumar Nigam

Managing Director & CEO



Praveen Bhatt

Head-Operations



Nilesh Pednekar

Company Secretary

Mumbai, April 11, 2014



AXIS ASSET MANAGEMENT COMPANY LIMITED

Amount in ₹

Statement of Profit and Loss for the year ended	Notes	March 31, 2014	March 31, 2013
Income			
Revenue from operations	13	861,113,260	568,752,949
Other income	14	15,927,375	33,724,351
Total Revenue		877,040,635	602,477,300
Expenses			
Employee benefits expense	15	338,115,904	320,461,834
Administrative and other expenses	16	509,445,634	330,378,164
Depreciation and amortization expense	8	13,297,780	14,987,840
Total expenses		860,859,318	665,827,838
Profit/ (Loss) before tax		16,181,317	(63,350,538)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/ (Loss) after tax		16,181,317	(63,350,538)
Earnings per equity share (refer to note 22)		0.09	(0.36)

Significant accounting policies

1

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

As per our report attached

For Haribhakti & Co.

Chartered Accountants

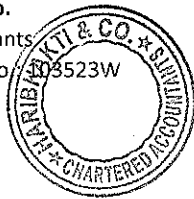
Firm Registration No. 303523W


Rakesh Rathi

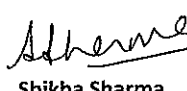
Partner

Membership No.: 45228

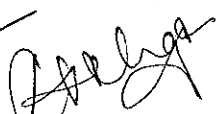
Mumbai, April 11, 2014

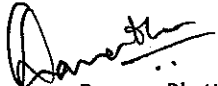


For and on behalf of the Board


Shikha Sharma
Chairperson


U R Bhat
Director


Chandresh Kumar Nigam
Managing Director & CEO


Praveen Bhatt
Head-Operations


Nilesh Pednekar
Company Secretary



AXIS ASSET MANAGEMENT COMPANY LIMITED

Amount in ₹

Cash Flow Statement for the year ended	March 31, 2014	March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation and extraordinary items	16,181,317	(63,350,538)
Add/ (Less): Adjustments for		
Depreciation	13,297,780	14,987,840
Interest on income-tax refund	(1,797,550)	-
Asset written off	-	-
Loss/(profit) on sale of fixed assets (net)	96,415	(2,371,160)
(Profit)/ Loss on sale of investments	(13,634,527)	(29,359,569)
Operating Profit before changes in assets and liabilities	14,143,435	(80,093,427)
Increase/ (Decrease) in Trade payables	170,543,938	120,215,453
Increase/ (Decrease) in Other Long-term liabilities	277,129,439	(32,095,967)
Increase/ (Decrease) in Provisions	52,546,109	33,445,978
Increase/ (Decrease) in Other current liabilities	216,976	(1,750,320)
(Increase)/ Decrease in Long-term loans and advances	(195,403,205)	(210,275,472)
(Increase)/ Decrease in Non-current Long-term loans and advances	(315,460,992)	(13,134,697)
(Increase)/ Decrease in Trade receivables	(38,353,520)	(39,680,927)
Cash generated from operations	(34,637,820)	(223,369,379)
Income-tax paid (net of refund)	(10,545,919)	(19,878,778)
Net cash from operating activities	(45,183,739)	(243,248,157)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(29,039,284)	(8,972,445)
Proceeds from sale of fixed assets	2,500	12,909,181
Advance for purchase of fixed assets	(2,304,600)	(1,630,871)
Purchase of Investments	(1,624,000,000)	(1,094,916,403)
Proceeds from sale of investments	1,700,834,527	1,335,825,962
Net cash used in investing activities	45,493,143	243,215,424
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share capital - Equity	-	-
Net cash from/ (used in) financing activities	-	-
Net (Decrease)/ Increase in cash and cash equivalents	309,404	(32,733)
Cash and cash equivalents at the beginning of the year	1,038,798	1,071,531
Cash and cash equivalents at the end of the year	1,348,202	1,038,798

As per our report attached

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.: 10352300


Rakesh Rathi

Partner

Membership No.: 45228



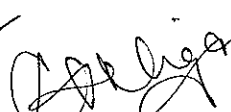
Mumbai, April 11, 2014

For and on behalf of the Board

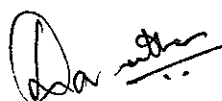
 

Shikha Sharma
Chairperson

U R Bhat
Director



Chandresh Kumar Nigam
Managing Director & CEO



Praveen Bhatt
Head-Operations



Nilesh Pednekar
Company Secretary



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

Company overview

Axis Asset Management Company Limited ('the Company') was incorporated on January 13, 2009 under The Companies Act, 1956. Axis Bank Limited holds 75% of the total issued and paid up equity share capital, the balance 25% plus one equity share holds by Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders plc.

The Company is registered with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 to act as an Investment Manager. The Company's principal activity is to act as investment managers to Axis Mutual Fund ('the Fund'). The Company manages Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated June 27, 2009.

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

1. Significant accounting policies

1.1 Basis of preparation

The financial statements have been prepared on accrual basis of accounting in accordance with historical cost convention, Accounting Standards notified by the Institute of Chartered Accountants of India and relevant provisions of The Companies Act, 1956 to the extent applicable.

1.2 Use of estimates

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

1.3 Tangible fixed assets and capital advances

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

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

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

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



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

1.4 Intangible fixed assets

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

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

1.5 Depreciation on tangible and intangible fixed assets

Depreciation is provided on the straight-line method from the date of installation/addition. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates.

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

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

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

All fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase / acquisition.

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

1.6 Impairment of tangible and intangible fixed assets

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

1.7 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current Investments are stated at lower of cost or fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Profit and Loss Account.



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

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

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

1.8 Revenue recognition

a) Revenues from operation

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

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

Marketing Advisory fees and fees received for acting as Point of Service (POS) for CDSL Ventures Ltd (CVL), an agency mandated by the Mutual Fund industry to handle the Know your Clients (KYC) documentation and necessary database are recognized on an accrual basis.

b) Other income

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

1.9 Employee benefits

a) Provident fund

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

b) Gratuity

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 the end of each financial year.

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

1.10 Foreign currency transactions

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

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

1.11 Scheme related expenses

a) Fund expenses

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



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

b) New fund offer expenses

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

c) Brokerage

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

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

1.12 Taxes on income

The tax expense comprises current tax and deferred tax.

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

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

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

1.13 Operating leases

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

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

1.14 Long Term Incentive plan (LTIP)

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

1.15 Earnings per share

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



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

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

1.16 Provisions and contingencies

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

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

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

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

1.17 Segment reporting

The accounting principles used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments. These are as set out in the notes on Significant Accounting Policies (refer to note 23)

1.18 Cash & cash equivalents

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



AXIS ASSET MANAGEMENT COMPANY LIMITED

2. Share capital

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Authorized		
Equity Shares, ₹10/- each		
175,000,000 (Previous year 175,000,000) Equity Shares	1,750,000,000	1,750,000,000
Issued, subscribed and paid-up		
Equity Shares, ₹10/- each		
174,000,000 (Previous year 174,000,000) Equity Shares fully paid up	1,740,000,000	1,740,000,000
Total issued, subscribed and paid-up capital	1,740,000,000	1,740,000,000

a. Terms/ rights attached to equity shares

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

The Company has not declared any dividends during the year.

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

b. Reconciliation of the shares outstanding at the beginning and end of the March 31, 2014

Particulars	March 31, 2014		March 31, 2013	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
At the beginning of the year	174,000,000	1,740,000,000	174,000,000	1,740,000,000
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	174,000,000	1,740,000,000	174,000,000	1,740,000,000

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

Name of the shareholders	March 31, 2014		March 31, 2013	
	Amount in ₹	% held	Amount in ₹	% held
Axis Bank limited and its nominees, the holding company hold 130,499,999 (Previous year 130,499,999) Equity shares of ₹10 each fully paid	1,304,999,990	75%	1,304,999,990	75%
Schroder Singapore Holdings Private Limited 43,500,001 (Previous year 43,500,001) Equity Shares of ₹10 each fully paid	435,000,010	25%	435,000,010	25%
	1,740,000,000	100%	1,740,000,000	100%



AXIS ASSET MANAGEMENT COMPANY LIMITED

3. Reserves and surplus

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Surplus/(deficit) in statement of profit & loss		
Opening balance as per last financial statements	(1,239,804,975)	(1,176,454,437)
Add: Profit for the year	16,181,317	(63,350,538)
Closing balance	<u>(1,223,623,658)</u>	<u>(1,239,804,975)</u>

4. Other long-term liabilities

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Trade payables (Entire amount is due to Holding company)	364,835,235	87,594,493
Others		
- Provision for expenses	4,155,402	4,155,402
- Future lease rent liability	3,192,155	3,303,458
	<u>372,182,792</u>	<u>95,053,353</u>

5. Provisions

Particulars	Amount in ₹			
	Long term provisions		Short term provisions	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for expenses	-	-	22,842,380	7,225,646
Provision for employee benefits				
- Employee provident fund dues payable	-	-	1,751,470	1,605,407
- Provision for gratuity	9,571,527	8,944,851	1,039,168	676,392
- Provision for salaries and allowances	57,400,000	29,500,000	82,600,000	74,706,140
	<u>66,971,527</u>	<u>38,444,851</u>	<u>108,233,018</u>	<u>84,213,585</u>

6. Trade payables

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Trade payables [Of the above ₹384,259,496/- due to holding company (Previous year ₹ 255,552,050/-)]	485,404,162	314,860,224
	<u>485,404,162</u>	<u>314,860,224</u>

7. Other current liabilities

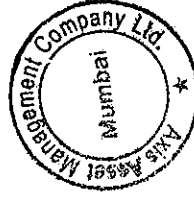
Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Other payables		
- Withholding taxes payable	5,040,261	3,668,877
- Service-tax payable	43,784	1,198,192
	<u>5,084,045</u>	<u>4,867,069</u>



AXIS ASSET MANAGEMENT COMPANY LIMITED

8. Fixed assets

Particulars	Gross Block						Accumulated Depreciation			Net Block	
	April 1, 2013	April 1, 2013	March 31, 2014	April 1, 2013	For the year	Deductions	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	
		Additions	Deductions								
Tangible assets											
Computers	20,338,151	5,376,211	64,961	17,706,955	2,696,437	64,961	20,338,431	5,310,970	2,631,196		
Furniture & fixtures	6,012,716	1,309,531	254,138	3,659,241	1,503,293	229,674	4,932,860	2,135,249	2,353,475		
Office equipments	5,488,890	2,450,111	295,902	2,747,427	1,497,968	221,451	4,023,944	3,619,155	2,741,463		
Leasehold improvements	16,010,247	11,132,435	2,569,449	11,808,697	4,285,567	2,569,449	13,524,815	11,048,418	4,201,550		
a	47,850,004	20,268,288	3,184,450	35,922,320	9,983,265	3,085,535	42,820,050	22,113,792	11,927,684		
Intangible assets											
Software	20,735,476	8,770,996	-	17,849,112	3,314,515	-	21,163,627	8,342,845	2,886,364		
b	20,735,476	8,770,996	-	17,849,112	3,314,515	-	21,163,627	8,342,845	2,886,364		
Total	68,585,480	29,039,284	3,184,450	53,771,432	13,297,780	3,085,535	63,983,677	30,456,637	14,814,048		
Previous year	71,932,012	8,972,445	12,318,977	40,564,548	14,987,840	1,780,956	53,771,432	14,814,048	31,367,464		



AXIS ASSET MANAGEMENT COMPANY LIMITED

9. Long-term loans and advances

Amount in ₹

Particulars	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured and considered good				
Capital advance for tangible fixed assets	-	-	801,145	495,000
Security deposits				
- Rental deposits	26,317,650	23,083,650	-	-
- Other deposits	22,200	22,200	-	-
Advance recoverable in cash or in kind for value to be received				
- Advance for expenses	-	-	3,675,264	3,247,343
- Brokerage recoverable	412,052,133	151,339,760	455,597,367	335,309,300
Prepaid expenses (includes unamortized brokerage)	138,409,197	86,894,578	118,496,950	70,263,881
Balances with statutory/ Government tax authorities	-	-	32,792,322	6,644,319
Advance income-tax (net of refund)	54,923,468	42,579,999	-	-
	<u>631,724,648</u>	<u>303,920,187</u>	<u>611,363,048</u>	<u>415,959,843</u>

10. Current investments

Amount in ₹

Particulars	March 31, 2014	March 31, 2013
Current investment - (non-trade, unquoted) (Valued at cost or fair value, whichever is lower)		
Investments in mutual fund		
111,232.888 Units (previous year 170,161.536 Units) in Axis Liquid Fund - Direct Plan - Growth option	158,000,000	221,000,000
Nil Units (previous year 153.435 Units) in Axis Treasury Advantage Fund - Direct Plan - Growth option	-	200,000
	<u>158,000,000</u>	<u>221,200,000</u>
Repurchase price of investments in schemes of mutual fund	158,199,807	221,438,057



11. Trade receivables

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Unsecured, considered good and outstanding for less than six months		
Other debts	117,423,880	79,070,360
	<u>117,423,880</u>	<u>79,070,360</u>

12. Cash and cash equivalents

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Cash on hand	-	-
Balances with bank in - current account	1,348,202	1,038,798
	<u>1,348,202</u>	<u>1,038,798</u>

13. Revenue from operations

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Investment management fees	836,499,936	563,511,053
Investment advisory fees - offshore	23,382,945	3,776,496
Portfolio management services	1,230,379	1,372,860
Other operating income	-	92,540
	<u>861,113,260</u>	<u>568,752,949</u>

14. Other income

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Gains on sale/ redemptions of mutual fund units	13,634,527	29,359,569
Profit on sale of fixed assets (net)	-	2,371,160
Miscellaneous income	2,292,848	1,993,622
	<u>15,927,375</u>	<u>33,724,351</u>



AXIS ASSET MANAGEMENT COMPANY LIMITED**15. Employee benefits expense**

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Salaries & allowances	317,233,011	300,345,482
Contribution to provident funds & other funds	10,870,894	12,375,710
Other employee related Costs (Includes staff welfare, insurance, recruitment & other employee related cost)	10,011,999	7,740,642
	338,115,904	320,461,834

16. Administrative and other expenses

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Scheme related expenses	264,520,494	123,884,983
PMS related expenses	44,664	1,393,460
Rent, rates and taxes	60,531,919	50,452,190
Establishment expenses	12,906,440	12,780,951
Communication expenses	16,103,495	12,183,222
Outsourced services cost	81,162,118	72,329,717
Legal and professional fees	13,173,696	6,749,027
Travelling, lodging and conveyance	24,240,782	21,587,691
Computer and software related cost	20,615,044	17,053,655
Printing and stationery	2,278,388	1,778,766
Membership and subscriptions	1,535,634	1,305,197
Entertainment and business promotion	3,996,041	3,361,344
Brokerage for premises	560,000	117,000
Auditors remuneration		
- Audit fees	650,000	500,000
- Tax audit fees	350,000	250,000
- Other matters	30,000	40,000
Repairs and maintenance	3,546,396	2,168,464
Directors sitting fees	740,000	980,000
Foreign exchange loss	633,181	33,629
Service tax expenses	1,371,421	1,107,672
Loss on sale of assets	96,415	-
Miscellaneous expenses	359,506	321,196
	509,445,634	330,378,164



AXIS ASSET MANAGEMENT COMPANY LIMITED**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014****17. Contingent liabilities - Nil****18. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided is ₹ 1,787,160 (Previous year ₹ 4,748,129).

19. Sundry Creditors

Sundry creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

20. Employee benefits

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

a) Defined contribution plan**Provident fund**

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

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Employer's contribution to provident fund	9,881,442	9,274,505



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

b) Defined benefit plan

Gratuity

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Profit and loss account		
Net employee benefit expenses		
Current service cost	3,865,234	3,487,895
Interest on defined benefit obligation	863,988	517,691
Expected return on plan assets		
Net actuarial losses/(gains) recognized in the year	(3,739,770)	(904,381)
Past service cost		
Losses/(Gains) on "Curtailements & Settlements"		
Total included in "Employee benefit expense"	989,452	3,101,205
Actual return on plan assets	-	-
Balance sheet		
Details of provision for gratuity		
Present value of obligations	10,610,695	9,621,243
Fair value of plan assets		-
Unrecognized past service cost		-
Net liability	10,610,695	9,621,243
Amounts in balance sheet		
Liabilities	10,610,695	9,621,243
Assets		-
Net liability	10,610,695	9,621,243
Changes in the present value of the defined benefit obligation are as follows		
Change in defined benefit obligation		
Opening defined benefit obligation	9,621,243	6,520,038
Current service cost	3,865,234	3,487,895
Interest cost	863,988	517,691
Actuarial losses/ (gains)	(3,739,770)	(904,381)
Past service cost		-
Benefits paid		-
Closing defined benefit obligation	10,610,695	9,621,243
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	-	-
Expected return on plan assets		-
Actuarial gains/ (losses)		-
Assets distributed on settlements		-
Contributions by employer		-
Benefits paid		-
Closing fair value of plan assets	-	-



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Experience adjustments		
Defined benefit obligations	10,610,695	9,621,243
Plan assets		-
Surplus/ (Deficit)	(10,610,695)	(9,621,243)
Experience adjustments on plan liabilities		-
Experience adjustments on plan assets		-
Actuarial (gain) loss on Obligation		
Experience Adjustment	(2,151,331)	(432,078)
Assumption Change	(1,588,439)	(472,303)
Principal actuarial assumptions at the balance sheet date		
Number of employees	129	108
Average age of employees	35 yrs	35 yrs
Discount rate	8.98% p.a	7.94% p.a
Expected rate of return on plan assets	N/A	N/A
Average salary of employees	49,956 p.m.	54,351 p.m.
Salary escalation rate	9% p.a	9% p.a
Employee attrition	10% p.a	10% p.a

Particulars	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Liability at the end of the year	10,610,695	9,621,243	6,520,038	3,709,213	1,299,240
Fair value of plan asset at the end of the year	-	-	-	-	-
Amount recognised in the balance sheet as liability	989,452	3,101,205	2,810,825	2,409,973	1,299,240
Experience adjustment :					
Gain/ (losses) on plan liabilities	(2,151,331)	(432,078)	(364,468)	-	-
Gain/ (losses) on plan assets	-	-	-	-	-

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.

21. Operating leases

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

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

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Not later than one year	18,950,030	17,306,741
Later than one year but not later than five years	53,427,222	51,565,249
Later than five years	20,290,353	6,119,720

The total lease payments recognized in the Profit and Loss Account amounts to ₹ 57,039,930 (Previous year ₹ 53,262,398).



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

22. Earnings per share

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

Particulars		March 31, 2014	March 31, 2013
(a)	Nominal value of an Equity share (₹)	10	10
(b)	Net profit available to Equity shareholders (₹)	16,181,317	(6,335,0538)
(c)	Weighted average number of shares outstanding	174,000,000	174,000,000
(d)	Basic and Diluted EPS (₹) = (b)/ (c) (annualized)	0.09	(0.36)

23. Segment reporting

In accordance with the Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the company has determined business segments as under:

The company's operations predominantly relate to providing Asset Management Services. It acts as an Investment Manager to schemes launched by Axis Mutual Fund. It also provides Portfolio Management Services (PMS). Accordingly, the company has recognized 'Mutual Fund' and 'Portfolio Management' as Primary business segments.

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

The accounting principles used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments. These are as set out in the notes on Significant Accounting Policies.

The basis of reporting is as follows

- Revenue and expenses distinctly identifiable to a segment are recognized in that segment.
- Certain expenses are not specifically allocable to specific segments as the underlying services are used interchangeably. Hence, it is not practical to provide segment disclosures relating to such items and accordingly they are separately disclosed as "unallocable expenses".
- Fixed assets, Current assets and Current liabilities to the extent directly identifiable to a business segment have been categorized as "Segment assets/liabilities"; others have been shown as "Unallocable assets/liabilities".
- Other balance sheet items such as investments and deferred tax asset are similarly not allocated to business segments.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

Business Segment	Mutual fund		Portfolio management		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Segment revenue						
Management /Advisory fees	859,256,544	563,620,245	1,856,716	5,040,164	861,113,260	568,660,409
Other Income		2,385,020		-		2,385,020
Inter segment revenue		-		-		-
Total segment revenue	859,256,544	566,005,265	1,856,716	5,040,164	861,113,260	571,045,429
Identifiable operating expenses	264,805,340	124,399,743	9,986,842	12,836,914	274,792,182	137,236,657
Segmental operating income	594,451,204	441,605,522	(8,130,126)	(7,796,750)	586,321,078	433,808,772
Unallocable expenses					585,433,956	528,571,412
Operating income					887,122	(94,762,640)
Other income					15,294,195	31,412,102
Net profit/ (loss) before taxation					16,181,317	(63,350,538)
Provision for income-tax						-
Deferred tax expense						-
Fringe benefit tax						-
Net profit/(loss) after tax					16,181,317	(63,350,538)
Segment assets and liabilities						
Segment assets	1,236,787,304	720,193,140	488,968	2,385,985	1,237,276,272	722,579,125
Unallocated assets					316,975,614	315,054,982
Total assets					1,554,251,886	1,037,634,107
Segment liabilities	761,319,352	343,508,864	1,024	13,390	761,320,376	343,522,254
Unallocated liabilities					276,555,168	193,916,828
Total liabilities					1,037,875,544	537,439,082
Capital expenditure					4,736,616	2,125,871
Depreciation	284,846	514,760	653,079	1,924,083	937,925	2,438,843

24. Related party transactions

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

A) Holding Company	: Axis Bank Limited
B) Fellow Subsidiaries	: Axis Mutual Fund Trustee Limited
	: Axis Capital Limited
	: Axis Securities Limited (with effect from 1st April, 2013)
	: Axis Trustee Services Limited
	: Axis Private Equity Limited
	: Axis Bank U.K. Limited
	: Axis Finance Limited
C) Step-down Subsidiary Companies	: Enam International Limited
	: Enam Securities Europe Limited
D) Key Management Personnel	:Mr. Rajiv Anand (up to 30 th April, 2013)
	:Mr. Chandresh Kumar Nigam (with effect from 1 st May, 2013)



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

Particulars	Holding Co.		Fellow Subsidiary				Total for fellow Subsidiaries		Amount (₹)	
	Axis Bank Limited		Axis Mutual Fund Trustee Limited		Axis Securities Limited		Axis Capital Ltd			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013		
EXPENDITURE										
Mutual Fund -Brokerage	55,368,883	45,574,741	-	-	50,244	-	21,482	32,921	71,726	32,921
PMS - FA/R&T/CCIL fees	289,943	290,162	-	-	-	-	-	-	-	-
Bank Charges	816,690	27,408	-	-	-	-	-	-	-	-
Rent Expenses - worli	31,751,481	31,751,481	-	-	-	-	-	-	-	-
Facilities Expenses	6,690,269	5,748,012	-	-	-	-	-	-	-	-
Outsourced services cost	-	-	-	-	78,478,118	-	-	69,821,717	78,478,118	69,821,717
ASSETS										
Current account balance [Bal as per Bank ₹45,19,294 (Previous Year ₹30,66,807) as on March 31, 2014]	1,338,140	1,028,736	-	-	-	-	-	-	-	-
LIABILITIES										
Equity Share Capital	-	-	-	-	-	-	-	-	-	-
Opening Balance	1,304,999,990	1,740,000,000	-	-	-	-	-	-	-	-
Share capital infused during the year	-	-	-	-	-	-	-	-	-	-
Share capital sold during the year	-	435,000,010	-	-	-	-	-	-	-	-
Closing Balance	1,304,999,990	1,304,999,990	-	-	-	-	-	-	-	-

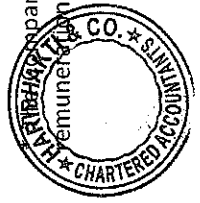


AXIS ASSET MANAGEMENT COMPANY LIMITED

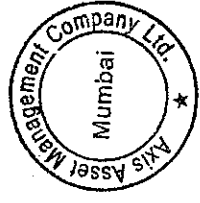
Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

Particulars	Holding Co.		Fellow Subsidiary				Total for fellow Subsidiaries	
	Axis Bank Limited		Axis Mutual Fund Trustee Limited		Axis Securities Limited		Axis Capital Ltd	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Sundry Creditors / (Receivable) towards								
- Expenses (net)	7,237,705	760,652	-	4,025	8,328,875	-	7,332,578	7,336,603
- Brokerage	741,857,026	342,385,891	-	-	217,143	-	468,437	49,036
REIMBURSEMENT PAID BY AMC TOWARDS								
Rent Expenses	-	-	-	-	-	-	-	-
Employee Expenses	-	-	-	-	-	-	-	-
Administrative & Other Expenses	13,149,960	6,550,687	15,839	10,349	-	-	15,839	10,349
Insurance Premium-Staff	1,465,457	1,459,196	-	-	-	-	-	-
REIMBURSEMENT RECOVERED BY AMC TOWARDS								
Investor Compensation	120,297	-	-	-	-	-	-	-
Administrative & other Expenses	-	1,197,230	-	-	-	-	-	-
Fixed assets	-	11,733,641	-	-	-	-	-	-
PMS related expenses	-	165,450	-	-	-	-	-	-

Other related party transaction :-	March 31, 2014	March 31, 2013
Remuneration to Key Managerial Personnel*		
Mr. Chandresh Kumar Nigam	21,208,232	-
Mr Rajiv Anand	9,242,501	27,995,000



Axis Asset Management Company has satisfied conditions of the General Circular No.46/2011, dated 14-07-2011, and issued by Ministry of Corporate Affairs, regarding payment of managerial remuneration; hence approval of central government is not required for the same.



AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

25. Deferred tax

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

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

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Deferred tax assets/ (liabilities) on account of		
Depreciation	7,338,304	6,682,038
Provision for gratuity	3,442,640	2,972,964
Provision for employee benefit	9,052,155	9,115,500
Expenses disallowed	-	857,167
Future lease rent liability	(36,112)	1,020,769
Preliminary expenses	(147,479)	140,456
Carry forward Loss	426,206,894	360,951,317
Total	445,856,402	381,740,211
Restricted to	NIL	NIL
Net deferred Tax assets/ (liabilities)	NIL	NIL

26. Additional information pursuant to the provisions of paragraph 4B and 4D of part II of Schedule VI to the Companies Act, 1956 is given below:

- Income from Foreign Currency - ₹ 23,382,945 (Previous year: ₹ 3,776,496)
- Payments in foreign currency

Particulars	Amount (₹)	
	March 31, 2014	March 31, 2013
Traveling, lodging and conveyance	688,511	694,278
Scheme expenses marketing	86,496	Nil
PMS related expenses	Nil	58,782
Computer and software related cost	282,890	Nil
Total	1,057,897	753,060




AXIS ASSET MANAGEMENT COMPANY LIMITED


Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2014

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

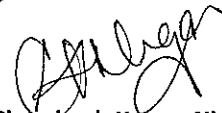
For and on behalf of the Board



Shikha Sharma
Chairperson



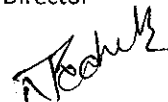
U R Bhat
Director



Chandresh Kumar Nigam
Managing Director & CEO

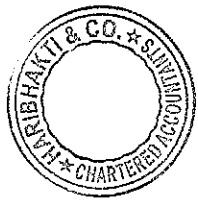


Praveen Bhatt
Head-Operations



Nilesh Pednekar
Company Secretary

Mumbai, April 11, 2014



AXIS ASSET MANAGEMENT COMPANY LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a) Registration Details		b) Capital raised during the period (Amount in ₹000)	
Registration Number	U65991MH2009PLC189558	Public Issue	Nil
State Code	11	Rights Issue	Nil
Balance Sheet Date	March 31, 2014	Bonus Issue	Nil
		Private Placement	Nil

c) Position of Mobilization and Deployment of Funds (Amount in ₹000)

Total Liabilities	1,554,252
Total Assets	1,554,252
Equity and liabilities	
Shareholders' Fund	
Paid-up Capital	1,740,000
Reserves & Surplus	(1,223,624)
Non-current liabilities	
Other long-term liabilities	372,183
Long-term provisions	66,972
Current liabilities	
Trade payables	485,404
Other current liabilities	5,084
Short-term provisions	108,233
Assets	
Non-current assets	
Fixed Assets	34,392
Long-term loans and advances	631,725
Other non current assets	-
Current assets	
Current investments	158,000
Trade receivables	117,424
Cash and cash equivalents	1,348
Short-term loans and advances	611,363

d) Performance of Company (Amount in ₹000)

Total income	877,041
Total Expenditure	860,859
Profit before tax	16,181
Profit after tax	16,181
Earnings per Share in ₹	0.09
Dividend Rate (%)	Nil

e) Generic Names of Three Principal Products/ Services of the Company (as per Monetary terms)


Item Code No. (ITC Code)	N.A.
Product Description	Asset Management

For and on behalf of the Board


Shikha Sharma
Chairperson


U R Bhat
Director


Chandresh Kumar Nigam
Managing Director & CEO


Praveen Bhatt
Head-Operations


Nilesh Pednekar
Company Secretary

Mumbai, April 11, 2014

