

DIRECTORS' REPORT

DEAR MEMBERS

Your Directors have pleasure in presenting the 12th Annual Report of Axis Securities Limited (the Company) alongwith the Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL PERFORMANCE:-

During the year, the Company achieved a total income of Rs. 9,505,367,062/-

The highlights of the financial Results of your Company for the year ended March 31, 2018 are given below:

(Figures in Rs.)

Particulars	2017-18	2016-17
Operating Income (A)	9,399,521,198	7,465,960,762
Interest Income on Fixed Deposits and Miscellaneous Income (B)	105,845,864	95,364,984
Total Income (A)+(B)	9,505,367,062	7,561,325,746
Operating Expenses	8,453,389,651	6,674,964,209
Profit/(Loss) before Depreciation & provisions for tax	1,051,977,411	8,86,361,537
Depreciation	123,211,576	99,993,118
Provisions for Tax	325,235,817	271,402,379
Profit / (Loss) After Tax	603,530,017	514,966,041
Surplus in Statement of profit and loss account	588,007,297	337,589,336
Appropriation		
Transfer to General Reserve	60,400,000	51,500,000
Dividend	195,075,000	177,012,500
Dividend Distribution Tax	39,712,680	36,035,580
Balance carried to Balance Sheet	896,349,634	588,007,297

BUSINESS OVERVIEW & REVIEW OF OPERATIONS:-

In FY18 Retail Broking has achieved overall revenue of Rs. 207.30 Crs which is 21% higher than Rs. 171.40 Crs in FY17 and acquired 4.6 Lac customers registering a YoY growth of 20%.

Retail Assets did a total business of Rs. 33,283 crs. in FY 2017-18, the details of which are as follows:

Sr. No.	Product	FY 2016-17	FY 2017-18	% Growth
		(Rs. in crores)	(Rs. in crores)	
1.	Home Loan	11440	13301	16%
2.	Loan Against Property	3706	4387	18%
3.	Personal Loan	6540	8095	7%
4.	Auto Loan	5745	7500	31%
5.	SME	3917	5591	43%
6.	Credit Card	1159100	1426203	23%
7.	SBB	2086	3389	62%

The Company continues to provide good support to the overall Retail Assets business of Axis Bank Limited. The Home Loans contribution stands at 54%, Loan against Property at 57%, Personal Loans (excluding digital) at 56%, Personal Loans (including digital) at 72% and Auto Loans contribution is at 85%.

In FY 2017-18, the Small and Medium Enterprise (SME) business witnessed a 43% Year on Year (YoY) growth with Rs. 5,591 crs. as compared to Rs. 3,917 crs. in FY 2016-17, whereas the Credit Card business has grown by 23% in the number of cards issued to 14,26,203 customers as compared to 11,59,100 customers in FY 2016-17. SBB business has shown a YoY growth of 62% with Rs. 3,389 crs. disbursed in FY 2017-18 as compared to Rs. 2,086 crs. in FY 2016-17.

DIVIDEND:-

During the financial year 2017-18, the Board of Directors declared and paid an Interim Dividend at the rate of Re. 1.35/- per equity share of Rs. 10/- each, absorbing a sum of Rs. 19,50,75,000/- towards dividend amount and Rs. 3,97,12,680/- towards Dividend Distribution Tax.

The Directors are pleased to recommend confirmation of the said interim dividend to be the Final Dividend for the financial year 2017-18. The Dividend, if approved by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2017-18.

GENERAL RESERVE:-

The Company in accordance with Section 123 of the Companies Act, 2013 ("the Act"), has transferred a sum of Rs. 60,400,000/- to the General Reserve account.

MATERIAL CHANGE AND COMMITMENT:-

In terms of the information required under sub-section (3)(I) 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>

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 strong 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.

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, 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

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. Ramesh Kumar Bammi, non-executive Director (DIN: 03411046) retires by rotation and, being eligible, offers himself for re-appointment.

Number of Meetings:-

During the year, the number of Board, Committee and General Meetings convened are as follows:

Sr.No.	Type of Meeting	Number of meetings
1.	Board Meeting	4
2.	Audit Committee Meeting	4
3.	Nomination & Remuneration Committee Meeting	1
4.	Corporate Social Responsibility Committee Meeting	2
5.	Risk Management Committee Meeting	4
6.	Executive Committee Meeting	0
7.	General Meeting (Annual)	1
8.	Independent Directors Meeting	1

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 January 15, 2018.

The Board of Directors of the Company in its meeting held on April 10, 2018 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 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 and the performance of Individual Directors of the Company.

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 being appointed or has 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. 5,164,538/- (Rupees Fifty One Lacs Sixty Four Thousand Five Hundred and Thirty Eight 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 - A.**

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 - B.**

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

The statement containing particulars of employees required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure - C** and forms part of this report. 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 undertaken three projects namely (i) Pradan (ii) Kherwadi Social Welfare Association (KSWA) for Yuva Parivartan and (iii) Consumer Education & Awareness programs. Project Pradan was directed towards creating sustainable farm based livelihoods and enhancing family income of Self Help Group families in Madhya Pradesh & Chhattisgarh, whereas Project KSWA was directed towards providing vocational training to school drop outs, assisting in job placements and encouraging self-employment amongst the youth in Marathawada & Vidarbha regions of Maharashtra. Both Pradan and KSWA projects were through Axis Bank Foundation. Project on *Consumer Education programs* was undertaken by the Company towards creating awareness amongst investors across India. All the above 3 projects are in accordance with Schedule VII of the Act.

During the year under review, the Company has spent Rs. 13,377,717/- (Rupees One Crore Thirty Three Lacs Seventy Seven Thousand Seven Hundred and Seventeen 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	:	09*
b.	Number of complaints disposed off during the year	:	08
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.

*On inquiry, one case did not qualify to be a POSH case.

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, 2018.
- 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 11th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company. Their term as Statutory Auditors of the Company expires in the forthcoming Annual General meeting.

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:

Markets have been in the grips of volatility following global headwinds esp. the trade war talks exchanged between US and China. Impending trade wars between US and China, expected hardening of policy rates in US, and mop-up of excess liquidity by central banks is likely to keep the uncertainty alive in global markets in near to mid-term. Probable deterioration of macro-economic variables due to rising crude oil prices is also likely to impact Indian markets given India's over dependence on imported crude. On other hand, monsoon is expected to be 'normal' and the quarterly earnings are expected to continue with its improving trend. GST collection has been on rising trend and with implementation of E-way bill, it is likely to bridge the shortfall in the revenues of the Government thus helping it keep its borrowing programme in check and control the 10 year yield. The government at centre is likely to continue strengthening the existing policy framework and no new, game changing reforms are expected given that the

general elections are approaching in next 12 months along with few state elections, Karnataka being scheduled in May, 2018.

We expect the markets to consolidate with slightly negative bias in wake of the impending trade wars, global uncertainty and risk aversion following the squeezing up of excess liquidity and rising oil prices. Market valuations have come off from their Jan 2018 peaks following the correction; valuations are not very cheap though they are now trading closer to their 10 year mean. We expect the corporate earnings to grow at mid to high teens over next two years as the demand driven consumption shapes up following the expected good monsoon, implementation of various reforms including GST, demonetization, implementation of IBC to resolve NPA issues, etc. which in turns is expected to drive the GDP growth towards higher single digit from current level of near 7%.

Inorder to improve customer experience following initiatives are being taken in Retail broking:

1. Launch online account opening process that enables existing Axis Bank customers to open demat and trading account online in 10 minutes.
2. Introduce investing in global markets across 36 exchanges worldwide in association with Saxo Bank.
3. Launch various equity portfolios based on a market trend or theme that will help customers build a long term equity portfolio at absolute ease.
4. Introduce commodities trading platform that allows customers to trade in commodity derivatives listed on MCX and NCDEX.
5. Enhance the features of existing Whatsapp virtual assistant by introducing order placement and also extend the virtual assistant feature on Facebook messenger.
6. Introduce simplified login for AxisDirect mobile app with one-time registration post which the customer can login using only the password. Also, enable app-in-app integration between Axis Bank and AxisDirect app which will allow investing directly from the Axis Bank mobile app Demat section.
7. Revamp the existing trading platform and introduce a new fully device responsive interface with streaming market watch and advanced charting tools.
8. Introduce voice recognition based automated trade placement on our toll free number. This feature will use Artificial Intelligence (AI) and Natural Language Processing (NLP) capabilities to comprehend the customer's voice and will be able to place a trade just like a human agent.

Retail Sales:

Indian economy is at inflection point and poised for a strong growth after recovering from interim effects of Demonetization and GST. Strong domestic demand coupled with higher capital outlays on infrastructure, subdued inflation will spur economic growth. Corporate debts overhangs and high level of NPA are being addressed by structural reforms, policy changes & enhanced regulations.

With high penetration of smartphone & cheaper data, Indian millennial are exploring new lending platforms offered by Fin-tech companies, NBFC & Banks and other accelerating changes in Indian Banking landscape. Remittance & money transfers already have invoked interest from global leaders in social media thus blurring the orthodox paradigm of financial institutions.

Banks are building robust & efficient next generation credit processes using new technologies e.g. Block -chain, Artificial Intelligence, Data mining etc. Harnessing of the new technologies will lead to real time flow of information about borrower's creditor behavior in financial market place.

Rising urbanization, large young population, increase in per capita income, high smartphone penetration are factors causing tectonic shift in Indian retail lending distribution model and leaning to augmented customer interaction digitalization.

Indian housing industry is important contributor to nation's GDP growth. The government has been actively regulating the real estate industry over the last several quarters. From demonetization aimed at curbing the effect of unaccounted money; to RERA which will help bring in consumer confidence, in past the real estate sector has seen significant regulatory influence. In last few years, Government brought various fundamental changes to facilitate mission 'Housing by all by 2022', be it giving infrastructure to Affordable Housing, re-defining income & area norms in CLSS under Pradhan Mantri Awas Yojana (PMAY). Budget 2018-19 has further given impetus to affordable housing by creating a dedicated fund under the National Housing Bank (NHB).

Personal finance industry is also poised for growth in current fiscal as mostly such loans are targeted towards salaried customers, who have secured jobs with immediate need of funds. Personal Loans should ideally become a regular finance option due to increase in speed of disbursement, advancements in technology, rationalization of interest rates, multiplicity of products from banks and financial institutions, online credit scoring and financial organizations push towards reaching customers from all walks of life / lower tier cities. These factors are likely to ensure that the industry has a steady climb.

The Auto loan business is lined up for additional business growth, thanks to an increase in volume of car sales and a rising preference for financed cars. Furthermore increase in

cost of vehicles, will support banks see a good rise in Auto loan finance business, even new car & Used car finance will show increased momentum .India is amongst the top five biggest market for passenger cars and growing preference for more sophisticated and bigger cars, and sports utility vehicles, has meant an increase in the average price of vehicles. India is expected to be amongst the top three biggest car market by 2020, with over four million units sold annually. Moreover, the GST reduction on e-vehicles will be benefitting the manufactures in lowering their costs and by building a newer customer base this will further aid auto loan finance industry.

Credit card industry is optimized due to underlying e-commerce boom and with more people shopping online the use of digital payments, including credit cards, has become popular.

Also, because the offers on credit cards are more lucrative in terms of cash-backs and reward programs, increasingly, it is emerging as a preferred medium for making payments online besides the ease and convenience it offers; plastic money can also help the Indian economy avoid huge currency operational losses.

AWARDS & RECOGNITION:

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

- i. Top Equity Broker of the Year by BSE Commodity Equity Outlook Awards, 2017;
- ii. Best Web/e-Commerce Award by DMA India CREATEFFECT (Bronze), 2017;
- iii. India's best website design project by INDI POOL BEST DESIGN STUDIO AWARDS, 2017;
- iv. Best email marketing campaign by 8th India Digital Awards by IAMAI (Bronze) Awards, 2018;
- v. Best email marketing campaign by DIGIXX Awards, 2018.

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, 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


RAJIV ANAND

(DIN: 02541753)

CHAIRMAN

Place: Mumbai

Date : April 10, 2018

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018**

[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 th Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra, India. Telephone No - 022 24252009 Email id – lovelina.faroz@axissecurities.in
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008, India Telephone No - +91 040 67161604

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	79 %
2.	Brokerage on Securities	99715210	21 %

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.	Axis Bank Limited Trishul, 3 rd Floor, Opp Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006	L65110GJ1993PLC020769	Holding	99.999958%	2(46)

2.	Axis Capital Limited Axis House, 8th floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U51900MH2005PLC1 57853	Group Company	NIL	---
3.	Axis Finance Limited Axis House, Ground floor, Wadia International Centre, Worli, Mumbai - 400025	U65921MH1995PLC2 12675	Group Company	NIL	---
4.	Axis Asset Management Company Limited Axis House, 1st floor, C- 2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65991MH2009PLC1 89558	Group Company	NIL	---
5.	Axis Private Equity Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2006PLC1 65039	Group Company	NIL	---
6.	Axis Mutual Fund Trustee Limited Axis House, 1st floor, C- 2, Wadia International centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2009PLC1 89325	Group Company	NIL	---
7.	Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U74999MH2008PLC1 82264	Group Company	NIL	---
8.	A. Treds Limited Axis House, C-2, Wadia International centre, P B Marg, Worli, Mumbai - 400025	U74999MH2016PLC2 81452	Group Company	NIL	---
9.	Freecharge Payment Technologies Private Limited Ground Floor, Plot No. 68 Okhla Industrial Estate, Phase-III New Delhi South Delhi DL	U74140DL2015PTC27 5419	Group Company	NIL	---

	110020				
10.	Accelyst Solutions Private Limited 2nd Floor, unit no. 205-206, Plot no. 1 Vaibhav Chambers, Bandra Kurla Complex Mumbai Bandra Suburban 400051	U72900MH2008PTC185202	Group Company	NIL	---
11.	Axis Bank U.K. Limited Kings House, (4th Floor), 36-37, Kings Street, London, England.	7554558	Group Company	NIL	---

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	
A. Promoters									
(1) Indian									
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...	---	---	---	---	---	---	---	---	---
Sub-total (A) (1):-	144,499,934	6	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
(2) Foreign									
a) NRIs - Individuals	---	---	---	---	---	---	---	---	---
b) Other - Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
Sub-total (A) (2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	144,499,934	6	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks/ FI	---	---	---	---	---	---	---	---	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) Stat eGovt (s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1):-	---	---	---	---	---	---	---	---	---
2. Non-Institutions									
a) Bodies Corp.	---	---	---	---	---	---	---	---	---
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	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)	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):-	---	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	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	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%	---	---
	Total	144,499,940	99.999958%	---	144,499,940	99.999958%	---	---

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):	17/05/2017 *10 equity shares held by Mr. Modan Saha were transferred to Mr. Cyril Anand Madireddi.	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%

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	1,25,00,00,000	-	1,25,00,00,000
• Reduction	-	1,00,00,00,000	-	1,00,00,00,000
Net Change	-	25,00,00,000	-	25,00,00,000
Indebtedness at the End of the financial year	-	-	-	-
i) Principal Amount	-	25,00,00,000	-	25,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	25,00,00,000	-	25,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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	1,70,41,751	74,52,188	2,44,93,939
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as %of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	1,70,41,751	74,52,188	2,44,93,939
	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:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Rajiv Anand	Jairam Sridharan	Babu RaoBusi	Nithya Easwaran	Ramesh Kumar Bammi	Jagdeep Mallareddy	
1.	Independent Directors • Fee for attending Board & Committee meetings • Commission • Others, please specify	---	---	4,50,000	5,50,000	---	---	1,00,000
	Total (1)	---	---	4,50,000	5,50,000	---	---	1,00,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	---	---	---	---	3,00,000	---	3,00,000
	Total (2)	---	---	---	---	3,00,000	---	3,00,000
	Total (B)=(1+2)	---	---	4,50,000	5,50,000	3,00,000	---	1,30,000
	Total Managerial Remuneration	---	---	4,50,000	5,50,000	3,00,000	---	1,30,000
	Overall Ceiling as per the Act	---	---	---	---	---	---	1% of the net profit

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

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	-	13,01,776	43,75,808	56,77,584
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	13,01,776	43,75,808	56,77,584

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Axis Securities Limited



Rajiv Anand
(DIN: 02541753)

CHAIRMAN

Place: Mumbai

Date : April 10, 2018

ANNEXURE- A
PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS

Name of the Party	Particulars of purpose	Amount of Outflow (in Rupees) FY 2017-18
Logmein India Limited	Membership and subscription	2,264,938
Screener	Membership and subscription	750,823
Shutter Stocks	Membership and subscription	299,074
Apnic Pty Ltd Australia	Membership and subscription	90,159
Hyperoffice	Membership and subscription	78,012
Universal Tours And Travels	Sales Promotion	1,681,532
Total		5,164,538
	FY 16-17	3,994,623

For Axis Securities Limited



Rajiv Anand

(DIN: 02541753)

CHAIRMAN

Place: Mumbai

Date : April 10, 2018

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	:	<ol style="list-style-type: none"> 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. Sale, Purchase or supply of any goods or materials (allotment/ redemption of shares) 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, One time 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	: 13.04.2017 & 11.01.2018
f)	Amount paid as advances, if any	: NIL

For Axis Securities Limited


Rajiv Anand

(DIN: 02541753)

CHAIRMAN

Place: Mumbai

Date : April 10, 2018

**PARTICULARS OF EMPLOYEES IN TERMS OF THE COMPANIES (APPOINTMENT AND
REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sr. No	Name of the Employee	Designation of the employee	Remuneration received (Amt. in Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company;	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager :
--	--	--	--	--	--	--	--	--	--	--

For Axis Securities Limited



**Rajiv Anand
(DIN: 02541753)
CHAIRMAN**

Place: Mumbai
Date : April 10, 2018


ANNEXURE - D
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 www.axissecurities.in
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. 668,107,079/-
4.	The Prescribed CSR expenditure (2% of amount)	:	Rs. 13,362,142/-
5.	Details of CSR activities/projects undertaken during the year:		
	a. Total amount to be spent for the financial year	:	Not exceeding Rs. 1,33,70,000/-
	b. Amount unspent, if any	:	NIL
6.	Reason for not spending the amount	:	NIL
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	:	Yes

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.	Creating sustainable farm based livelihoods and enhancing family income of SHG families	Promoting gender equality and women empowering	Other area, Madhya Pradesh & Chhattisgarh				
2.	Providing vocational training to school drop outs, assisting in job placements and encouraging self-employment amongst the youth	Employment enhancing vocational skills	Marathawada & Vidarbha regions, Maharashtra	Upto Rs. Rs. 8,370,000/-	Rs. 10,195,000/-	Rs. 101,95,000/-	Through implementing agency
3.	Consumer Education and Awareness Programs	Consumer Protection Services	Pan India	Upto Rs. 5,000,000/-	Rs. 3,182,717/-	Rs. 3,182,717/-	Direct
Total				Not exceeding Rs. 13,370,000/-	Rs. 13,377,717/-	Rs. 13,377,717/-	


Arun Thukral
Managing Director & CEO
DIN: 03043072


Ramesh Kumar Bammi
Chairman
DIN: 03411046

Place: Mumbai
Date : April 10, 2018

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To
The Members
Axis Securities Limited
Axis House, 8th Floor,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai – 400025.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Securities Limited having CIN U74992MH2006PLC163204** (hereinafter called 'the Company') for the year ended on March 31, 2018 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



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DBS Heritage House, Prescott Road, Fort, Mumbai - 400001.

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- b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client.
- c. The Securities and Exchange Board of India (Stock Brokers and Sub- Brokers) Regulations, 1992;
- d. The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
- e. The Securities and Exchange Board of India (Portfolio Managers) Regulation, 1993.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

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

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (viii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

We further report that-

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



A small, handwritten mark in blue ink, possibly initials or a signature, located in the bottom right corner of the page.

Annexure A

To,
The Members,
Axis Securities Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Axis Securities Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates
Company Secretaries**



**Prakash K. Pandya
Partner
FCS 3901 / CP No. 2311**

**Place: Mumbai
Date: 05.04.2018**



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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

We further report that –

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

**For BNP & Associates
Company Secretaries**

**Place: Mumbai
Date: 05.04.2018**



**Prakash K. Pandya
Partner
FCS 3901 / CP No. 2311**

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India

Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Securities Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, 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

Jitendra H. Ranawat

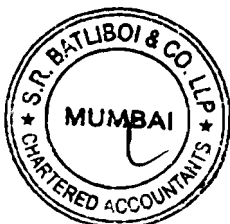
per Jitendra H. Ranawat
Partner
Membership Number: 103380
Place of Signature: Mumbai
Date: 10 April 2018



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 situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company hold securities in physical and dematerialized form. Physical securities have been verified by the management during the year and the securities held as stock-in-trade by the custodian are verified with the confirmation statement received from them on a regular basis during the year. In our opinion, the frequency of these verifications is reasonable. The Company is maintaining proper records of 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 explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits 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 and service tax, sales-tax, service tax, value added tax, cess and other statutory dues applicable to it. As informed, the provision of sales tax, custom duty and excise duty are currently not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, service tax, and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provision of sales tax, custom duty and excise duty are currently not applicable to the Company.



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

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Stamp duty Act of the state Madhya Pradesh	Stamp duty	18,13,193	2011-12	Collectors of Stamps, Indore (Madhya Pradesh)
Income Tax	Penalty	3,72,508	2006-07	ITAT
Income Tax	Penalty	4,51,234	2010-11	Commissioner of Income tax
Income Tax	Penalty	3,07,01,225	2013-14	Commissioner of Income tax

As informed, provision of sales tax, custom 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.66,65,184 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.45,45,994 and is liable to bear the balance loss of Rs.21,19,190 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 explanations given by the management, the managerial remuneration has been paid/provided 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(xii) 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 and, not commented upon.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Axis Securities Limited

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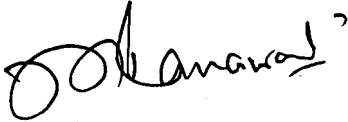
Auditor's report for the year ended 31 March 2018

- (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 of Signature: Mumbai

Date: 10 April 2018



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

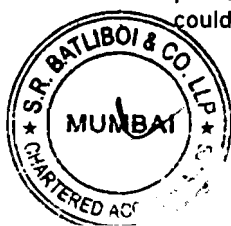
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in 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.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Axis Securities Limited

Auditor's report for the year ended 31 March 2018

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: 10 April 2018



AXIS SECURITIES LIMITED
(A subsidiary of Axis Bank Ltd)
AUDITED RESULT FOR THE YEAR ENDED 31 MARCH 2018

Axis Securities Limited			
Balance sheet as at 31st March 2018			
Particulars	Notes	31 March 2018 ₹	31 March 2017 ₹
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	1,445,000,000	1,445,000,000
Reserves and surplus	4	1,197,127,159	828,384,822
Non-current liabilities			
Other long term liabilities	5	1,534,291	3,788,410
Long term provisions	6	70,951,392	41,026,247
Current liabilities			
Short term borrowings	8	246,840,821	-
Trade payables	7	1,021,972,646	1,211,676,963
Other current liabilities	9	1,078,699,481	715,316,866
Short term provisions	6	304,709,428	238,641,560
Total		5,366,835,218	4,483,834,868
II. ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	10	257,784,574	289,693,535
Intangible assets	10	138,806,942	54,582,590
Deferred Tax Asset (net)		38,571,244	21,878,113
Loans and advances	11	478,664,163	625,501,703
Other non current assets	13.2	2,761,569	6,280,829
Current assets			
Current investments	12	130,000,000	-
Trade receivables	13.1	520,049,193	488,658,518
Short term loans and advances	11	1,233,442,431	974,415,340
Cash and bank balances	14	2,107,233,389	1,561,511,554
Other current assets	13.2	459,521,713	461,312,686
Total		5,366,835,218	4,483,834,868

Significant accounting policies

2.1

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

As per our report of even date

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

For and on behalf of the board of Directors



Rajiv Anand
Rajiv Anand
Chairman
DIN No: 02541753

Arun Thekral
Arun Thekral
Managing Director & CEO
DIN No: 03043072

Hemant Kumar Patel
Hemant Kumar Patel
Chief Financial Officer
PAN: AGOPP9611N

Anand Shaha
Anand Shaha
Whole-time Director
DIN No: 02421213

Lovelina Faroz
Lovelina Faroz
Company Secretary
PAN: AARPF3613K

Jitendra H. Ranawat
per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 10 April 2018



Axis Securities Limited			
Statement of Profit and Loss for the year ended 31st March 2018			
Particulars	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue from operations	15	9,399,521,198	7,465,960,762
Other income	16	105,845,864	95,364,984
Total revenue		9,505,367,062	7,561,325,746
Expenses:			
Employee benefit expense	17	7,615,222,616	5,951,487,947
Depreciation and amortization expense	10	123,211,576	99,993,118
Finance charges	18	38,455,340	5,074,835
Other expenses	19	799,711,695	718,401,426
Total expenses		8,576,601,228	6,774,957,326
Profit before tax		928,765,834	786,368,420
Tax expense:			
Current tax		(342,000,000)	(272,000,000)
(Short) / Excess provision of earlier year		71,052	-
Deferred tax		16,693,131	597,621
Total Tax		(325,235,817)	(271,402,379)
Profit after tax		603,530,017	514,966,041
Earnings per equity share (nominal value of share ₹10) (31 March 2017: ₹10)			
Basic		4.18	3.56
Diluted		4.18	3.56

Significant accounting policies


2.1

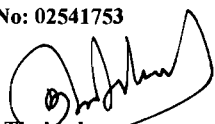
The accompanying notes are an integral part of the financial statements.

As per our report of even date

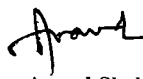
For S. R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

For and on behalf of the board of Directors


Rajiv Anand
Chairman
DIN No: 02541753

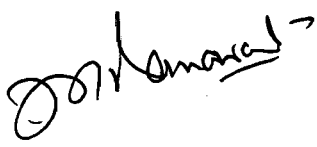

Arun Thakral
Managing Director & CEO
DIN No: 03043072


Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N


Anand Shaha
Whole-time Director
DIN No: 02421213


Lovelina Faroz
Company Secretary
PAN: AARPF3613K




per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 10 April 2018

2

Axis Securities Limited		
Cash flow statement for the year ended 31st March 2018		
Particulars	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Cash flow from operating activities		
Profit before taxes	928,765,835	786,368,420
Non cash & non operating adjustments:		
Interest income	(98,191,070)	(84,768,427)
Depreciation and amortization	123,211,576	99,993,118
Finance charges	38,455,340	5,074,835
Profit from sale of investments	(6,470,647)	(8,710,620)
Provision for doubtful debts	5,157,404	(4,521,446)
Loss on sale of fixed assets	1,074,686	3,227,494
Operating profit before working capital changes	992,003,124	796,663,374
Movement in working capital:		
Decrease / (increase) in long term loan & advances	(11,381,733)	(5,535,909)
Decrease / (increase) in short term loan & advances	(259,027,091)	(857,903,061)
Decrease / (increase) in trade receivables	(36,548,079)	(17,829,892)
Decrease / (increase) in other current assets	(7,601,995)	(430,000,000)
Increase / (decrease) in other long term liabilities	(2,254,119)	(1,474,965)
Increase / (decrease) in long term provisions	29,925,145	6,403,729
Increase / (decrease) in other current liabilities	363,382,615	143,395,097
Increase / (decrease) in trade payables	(189,704,317)	820,946,473
Increase / (decrease) in short term provisions	66,067,868	54,922,753
Cash generated from operations	944,861,417	509,587,599
Direct taxes paid (net of refund)	(183,709,674)	(328,091,105)
Net cash from operating activities	761,151,743	181,496,494
Cash flow from investing activities		
Purchase of fixed assets	(176,876,082)	(186,604,653)
Proceeds from sale of fixed assets	274,429	582,305
Investment in bank fixed deposit under lien with exchange	(382,346,379)	(1,003,475,000)
Redemption in bank fixed deposit under lien with exchange	404,500,000	1,303,500,000
Investment in mutual funds	(6,991,800,000)	(8,165,700,000)
Redemption of mutual funds	6,868,270,647	8,174,410,618
Interest received	107,710,413	111,588,562
Net cash from investing activities	(170,266,972)	234,301,832
Cash flow from financing activities		
Finance charges	(22,300,519)	(5,074,835)
Proceeds from issuance of commercial paper	1,230,686,000	-
Redemption of commercial paper	(1,000,000,000)	-
Dividend paid (including distribution tax)	(234,787,680)	(213,048,080)
Net cash from financing activities	(26,402,199)	(218,122,915)
Net increase in cash and cash equivalents	564,482,572	197,675,411
Cash and cash equivalents at the beginning of the period	588,911,554	391,236,143
Cash and cash equivalents at the end of the period	1,153,394,126	588,911,554
Components of cash and cash equivalents as at 31st March 2018		
Cash in hand	10,000	10,000
With scheduled bank -		
On current account	1,152,982,313	588,884,237
Balance in prepaid cards	401,813	17,317
Total	1,153,394,126	588,911,554

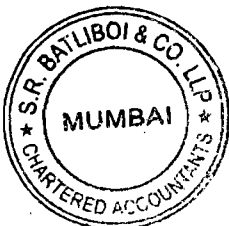
The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Jitendra H. Ranawat

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 10 April 2018



For and on behalf of the board of Directors

Rajiv Anand
Rajiv Anand
Chairman
DIN No: 02541753

Arun Thakral
Arun Thakral
Managing Director & CEO
DIN No: 03043072

Hemantkumar Patel
Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N



Anand Shaha
Anand Shaha
Whole-time Director
DIN No: 02421213

Lovelina Faroz
Lovelina Faroz
Company Secretary
PAN: AARPF3613K

Axis Securities Limited

Notes forming part of the financial statements

1. Nature of operations and background

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

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

2.1 Significant accounting policies

Presentation and disclosure of financial statements

i. Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP 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 date of the financial statements. 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. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

ii. 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.

iii. 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.

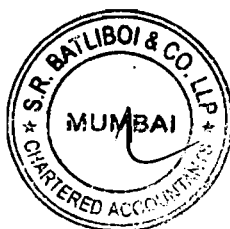
Depreciation has been provided using the following estimated useful lives:

	Useful Life
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

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



2

Axis Securities Limited

Notes forming part of the financial statements

iv. 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.

v. 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.

vi. 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

Fee income is recognized on accrual basis when all the services are performed.

b. Brokerage

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

- Gains/ losses on dealing in securities are recognized on a trade date basis.

- Income from subscription plan to the extent of account opening fees is recognized upfront and balance is amortized over the validity of plan.

- 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.

c. Depository fees

Depository fees are recognized on completion of the transaction.

d. Portfolio management fees

Portfolio management fees are accounted on accrual basis as follows:

-In case of fees based on fixed percentage of the corpus/ fixed amount, income is accrued at the end of the quarter/ month.

-In case of fees, based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

e. Interest

-Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

f. Income from investments

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



2

Axis Securities Limited

Notes forming part of the financial statements

vii. Stock in trade

Securities acquired with the intention of holding for short-term holding and trading are classified as stock-in-trade. The securities held as stock-in-trade are valued at lower of cost arrived at on first in first out basis or marketable fair value.

viii. 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. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the Statement of profit and loss of the year. Actuarial gains/losses are immediately taken to the Statement of profit and loss of the year.
- 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.

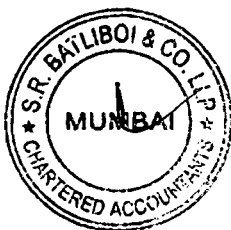
ix. Income taxes

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.

Deferred income tax

- a. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.
- b. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- c. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- d. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



Axis Securities Limited

Notes forming part of the financial statements

Minimum alternative tax (MAT)

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

x. 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of profit and loss.

xi. 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.

xii. 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.



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Axis Securities Limited

Notes forming part of the financial statements

xiii. 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.

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.

xiv. 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.

xv. 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.

xvi. 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.



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3. Share capital

	31 March 2018 ₹	31 March 2017 ₹
Authorized share capital 150,000,000 (31 March 2017: 150,000,000) equity shares of ₹10 each	1,500,000,000	1,500,000,000
Issued, subscribed and fully paid-up shares share capital		
Equity share capital 144,500,000 (31 March 2017: 144,500,000) equity shares of ₹10/- each	1,445,000,000	1,445,000,000
Total issued & subscribed share capital	1,445,000,000	1,445,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2018		31 March 2017	
	No.	₹	No.	₹
At the beginning of the period	144,500,000	1,445,000,000	144,500,000	1,445,000,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	144,500,000	1,445,000,000	144,500,000	1,445,000,000

(b) 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. 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.

(c) 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 2018 ₹	31 March 2017 ₹
Axis Bank Limited, the holding company and its nominees 144,500,000 equity shares of ₹10/- each	1,445,000,000	1,445,000,000

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March 2018		31 March 2017	
	Nos	%	Nos	%
Axis Bank Limited, the holding company and its nominees	144,500,000	100	144,500,000	100

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.

4. Reserve & Surplus

Capital reserve

	31 March 2018 ₹	31 March 2017 ₹
Opening balance	387,525	387,525
Addition during the year	-	-
Closing balance	387,525	387,525

Securities premium account

	31 March 2018 ₹	31 March 2017 ₹
Opening balance	152,490,000	152,490,000
Addition during the year	-	-
Closing balance	152,490,000	152,490,000

General reserve account

	31 March 2018 ₹	31 March 2017 ₹
Opening balance	87,500,000	36,000,000
Addition during the year	60,400,000	51,500,000
Closing balance	147,900,000	87,500,000



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Profit & Loss Account

	31 March 2018 ₹	31 March 2017 ₹
Balance as per last financial statements	588,007,297	337,589,336
Profit for the year	603,530,017	514,966,041
Less: Appropriations		
Transfer to General Reserve	(60,400,000)	(51,500,000)
Interim equity dividend [(amount per share ₹1.35 (31 March 2018: ₹19,50,75,000)) [(amount per share ₹1.225 (31 March 2017: ₹17,70,12,500)]]	(195,075,000)	(177,012,500)
Dividend distribution tax on equity dividend	(39,712,680)	(36,035,580)
Total appropriations	(295,187,680)	(264,548,080)
Closing balance	896,349,634	588,007,297
Total Reserves & Surplus	1,197,127,159	828,384,822

5. Other long-term liabilities

	31 March 2018 ₹	31 March 2017 ₹
Deposit received from franchisee	1,534,291	3,788,410
Total	1,534,291	3,788,410

6. Provisions

	Long-term		Short-term	
	31 March 2018 ₹	31 March 2017 ₹	31 March 2018 ₹	31 March 2017 ₹
Provision for employee benefits				
Gratuity payable	37,815,814	20,789,822	-	2,085,100
Leave availment payable	3,815,267	1,175,185	31,539,597	27,157,870
Provision for bonus			268,078,781	203,922,435
	41,631,081	21,965,007	299,618,378	233,165,405
Other provisions				
Leases	29,320,311	19,061,240	5,091,050	5,476,155
Total	70,951,392	41,026,247	304,709,428	238,641,560

7. Trade payables

	31 March 2018 ₹	31 March 2017 ₹
Trade payables (refer note 23 for details of dues to micro, small and medium enterprises)	1,021,972,646	1,211,676,963
Total	1,021,972,646	1,211,676,963

8. Short term borrowing

	31 March 2018 ₹	31 March 2017 ₹
Unsecured Commercial Paper	250,000,000	-
Less : Unexpired Interest	(3,159,179)	-
	246,840,821	-

9. Others current liabilities

	31 March 2018 ₹	31 March 2017 ₹
Other liabilities		
Income received in advance	94,579,514	118,168,785
Others		
Sundry creditors for capital expenditure	5,059,799	14,375,983
Expense creditors		
- Due to holding company	15,273,953	12,746,538
- Due to others	188,181,208	154,290,069
Salary & incentive payable	377,125,622	323,214,825
Undisputed statutory dues	286,072,126	81,040,094
Others	112,407,259	11,480,572
Total	1,078,699,481	715,316,866



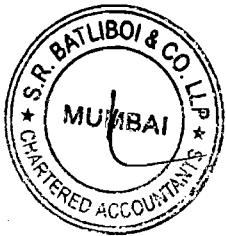
Axis Securities Limited

Notes to financial statements for the year ended 31 March 2018

Note 10 : Fixed Assets

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Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Addition	Deductions	As at 31 March 2018	As at April 1, 2017	Addition	Deductions	As at 31 March 2018	As at 31 March 2018	As at March 31, 2017
Property, Plant and Equipment										
Improvements to leasehold premises	110,257,417	12,858,723	2,881,463	120,234,677	31,495,173	13,002,715	2,662,225	41,835,663	78,399,014	78,762,244
Furniture	108,049,286	18,655,975	3,624,742	123,080,519	35,323,316	10,882,721	2,946,951	43,259,086	79,821,433	72,725,970
Office equipment	86,577,450	13,637,161	3,244,401	96,970,210	38,165,497	18,421,410	2,887,096	53,699,811	43,270,399	48,411,953
Computers	226,242,955	20,474,199	15,800,410	230,916,744	136,449,587	53,879,058	15,705,629	174,623,016	56,293,728	89,793,368
	531,127,108	65,626,058	25,551,016	571,202,150	241,433,573	96,185,904	24,201,901	313,417,576	257,784,574	289,693,535
Intangible assets										
Software	185,698,861	111,250,024	114,788	296,834,097	131,116,271	27,025,672	114,788	158,027,155	138,806,942	54,582,590
Total	716,825,969	176,876,082	25,665,804	868,036,247	372,549,844	123,211,576	24,316,689	471,444,731	396,591,516	344,276,125
Previous Year	566,307,597	186,604,653	36,086,281	716,825,969	304,833,208	99,993,118	32,276,482	372,549,844	344,276,125	



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11. Loans and advances

	Non-current		Current	
	31 March 2018 ₹	31 March 2017 ₹	31 March 2018 ₹	31 March 2017 ₹
Capital Advances	-	-	22,321,648	88,512,127
A	-	-	22,321,648	88,512,127
Security deposit				
-Unsecured, considered good	91,229,388	79,847,655	311,169	311,169
-Unsecured, considered doubtful	-	-	2,449,166	2,449,166
	91,229,388	79,847,655	2,760,335	2,760,335
Less: Provision for doubtful receivable	-	-	(2,449,166)	(2,449,166)
B	91,229,388	79,847,655	311,169	311,169
Advances recoverable in cash or kind				
	-	-	15,642,361	11,885,441
C	-	-	15,642,361	11,885,441
Other loans and advances				
Funding under margin trading facility (secured)	-	-	1,146,185,091	844,043,336
Advance income-tax (net)*	387,434,775	545,654,048	-	-
Prepaid expenses	-	-	37,789,068	24,414,944
Balances with statutory / government authorities	-	-	11,193,094	5,248,323
D	387,434,775	545,654,048	1,195,167,253	873,706,603
Total (A+B+C+D)	478,664,163	625,501,703	1,233,442,431	974,415,340

* Includes ₹38,938,856 (previous year ₹117,333,541) receivable as per scheme of demerger. These are receivable upon completion of respective assessment proceedings of Axis Capital Limited.

12. Investments

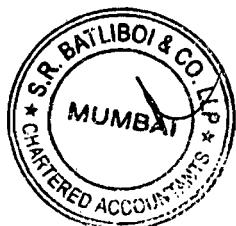
	Non-current		Current	
	31 March 2018 ₹	31 March 2017 ₹	31 March 2018 ₹	31 March 2017 ₹
Investment in mutual funds 67,545,317 Units (previous year Nil units) in Axis Liquid Fund - Direct Plan-Growth option	-	-	130,000,000	-
	-	-	130,000,000	-

13. Trade receivables and other assets
13.1 Trade receivables

	Non-current		Current	
	31 March 2018 ₹	31 March 2017 ₹	31 March 2018 ₹	31 March 2017 ₹
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Unsecured, considered good	-	-	721,456	3,541,006
Doubtful	-	-	15,252,685	10,983,587
	-	-	15,974,141	14,524,593
Provision for doubtful debts	-	-	(15,252,685)	(10,983,587)
(A)	-	-	721,456	3,541,006
Other receivables				
Unsecured considered good	-	-	-	-
- Due from holding company	-	-	448,253,288	283,403,891
- Due from others	-	-	71,074,449	201,713,621
Doubtful	-	-	1,737,286	848,981
	-	-	521,065,023	485,966,493
Provision for doubtful receivables	-	-	(1,737,286)	(848,981)
(B)	-	-	519,327,737	485,117,512
Total (A) + (B)	-	-	520,049,193	488,658,518

13.2 Other assets (Unsecured, considered good)

	Non-current		Current	
	31 March 2018 ₹	31 March 2017 ₹	31 March 2018 ₹	31 March 2017 ₹
Non-current bank balances - Fixed Deposits	2,482,116	5,875,000	-	-
Other receivables	-	-	437,601,995	430,000,000
Others				
Interest accrued on fixed deposits	279,453	405,829	21,919,718	31,312,686
Total	2,761,569	6,280,829	459,521,713	461,312,686



14. Cash and bank balances

	Non-current		Current	
	31 March 2018 ₹	31 March 2017 ₹	31 March 2018 ₹	31 March 2017 ₹
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	1,152,982,313	588,884,237
- Deposits with original maturity of less than three months	-	-	-	-
- Balance in prepaid cards	-	-	401,813	17,317
- Cash in hand	-	-	10,000	10,000
			1,153,394,126	588,911,554
Other bank balances				
- Deposits with original maturity for more than 12 months	-	-	-	-
- Deposits with original maturity for more than 12 months under lien	2,482,116	5,875,000	953,839,263	972,600,000
- 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	-	-	-	-
	2,482,116	5,875,000	953,839,263	972,600,000
Amount disclosed under non-current assets (note 13.2)	(2,482,116)	(5,875,000)		
Total			2,107,233,389	1,561,511,554

15. Revenue from operations

	31 March 2018 ₹	31 March 2017 ₹
Income from business sourcing and resource management services	7,405,295,242	5,839,517,250
Professional fees	1,125,971	1,738,479
Brokerage income	1,705,886,843	1,450,380,477
Interest on delayed payment	179,657,358	89,886,385
Other operating income	107,555,784	84,438,171
Total	9,399,521,198	7,465,960,762

16. Other income

	31 March 2018 ₹	31 March 2017 ₹
Interest income on bank deposits & income tax refund	98,191,070	84,768,427
Profit on sale of investments	6,470,647	8,710,620
Miscellaneous income	1,184,147	1,564,100
Other non operating income	-	321,837
Total	105,845,864	95,364,984

17. Employee benefits expense

	31 March 2018 ₹	31 March 2017 ₹
Salaries, wages and bonus	7,131,968,148	5,608,297,746
Contribution to provident and other funds	445,125,277	319,851,634
Staff welfare expenses	8,188,299	6,376,630
Gratuity expense	29,940,892	16,961,937
Total	7,615,222,616	5,951,487,947



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18. Finance charges

	31 March 2018 ₹	31 March 2017 ₹
Bank guarantee commission	5,564,676	4,530,549
Interest expense	32,890,664	544,286
Total	38,455,340	5,074,835

19. Other expense

	31 March 2018 ₹	31 March 2017 ₹
Rent (premises)	154,913,930	141,542,670
Lease rental (computer server)	-	169,864
Stamp, registration and exchange charges	681,211	1,668,520
Franchising charges	23,520,270	18,636,487
Advertisement and sales promotion	119,637,312	120,305,160
Rates and taxes	6,512,813	5,135,203
Insurance	3,778,920	1,575,485
Housekeeping expenses	27,519,050	21,485,967
Security charges	21,022,259	13,548,910
Repair and maintenance- others	6,856,140	5,209,630
Travelling and conveyance	62,098,001	50,198,460
Communication cost	74,890,936	70,570,309
Call center cost	19,564,699	16,649,073
Information technology expenses	84,012,860	74,157,163
Loss on sale of fixed assets	1,074,686	3,227,494
Printing & stationery	28,451,835	26,304,766
Legal and professional fees	27,911,862	21,085,308
Director's sitting fees	1,300,000	650,000
Auditors' remuneration :		
- Audit fee	3,000,000	2,700,000
- Out of pocket expenses	32,400	26,710
Expense towards Corporate Social Responsibility	13,377,717	9,084,317
Electricity and water charges	32,646,862	25,437,739
Office expenses	6,602,626	7,951,688
Membership & subscription fees	7,474,469	7,424,448
Recruitment and training expenses	37,648,682	35,648,866
Miscellaneous expenses	8,086,435	11,678,829
Bad debts	5,338,930	12,635,784
Provision for bad & doubtful debts	5,157,404	(4,521,446)
Sub brokerage	16,599,386	18,214,022
Total	799,711,695	718,401,426



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20. 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 3-12 years with the escalation clause of up to 15% for office premises and 2-3 years with fixed lease rentals for computer servers. There are no restrictions imposed by lease arrangements. There are no subleases.

Future minimum rentals payable under operating leases are as follows:

	2017-18 (₹)	2016-17 (₹)
Minimum lease payments :		
Not later than one year	146,758,813	131,774,820
Later than one year but not later than five years	512,337,686	519,320,818
Later than five years	178,395,872	189,135,208
Lease payment for the year	154,913,929	141,542,670

21. Details of Foreign currency transactions**Expenditure in foreign currency (accrual basis)**

	2017-18 (₹)	2016-17 (₹)
Subscription charges	3,483,006	3,656,722
Email charges		-
Sales Promotion	1,681,532	750,949
	5,164,538	4,407,671

22. 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.

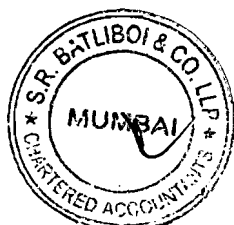
The following tables summarize the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Net employee benefit expense (recognized in employee cost)

	2017-18 (₹)	2016-17 (₹)
Current service cost	9,447,061	7,101,229
Past service cost	609,987	-
Interest cost	2,693,875	2,340,709
Actuarial gain/(loss) on plan assets	-	-
Expected return on plan assets	(1,328,660)	(1,043,686)
Net actuarial (gain)/loss recognized in the year	18,518,629	8,563,685
Benefits paid	-	-
Net gratuity cost	29,940,892	16,961,937

Balance sheet**Details of provision for gratuity**

	2017-18 (₹)	2016-17 (₹)
Present value of obligation as at the end of the year	73,292,535	47,921,745
Fair value of plan assets as at the end of the year	35,476,721	25,046,823
Net assets/(liability) recognized in balance sheet	(37,815,814)	(22,874,922)



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Axis Securities Limited

Notes forming part of the financial statements

Changes in present value of the defined obligation are as follows:

	2017-18 (₹)	2016-17 (₹)
Opening defined benefit obligation	47,921,745	36,218,210
Past Service Cost	609,987	-
Current service cost	9,447,061	7,101,229
Interest cost	2,693,875	2,340,709
Actuarial (gain)/loss	19,574,393	9,297,630
Benefits paid	(6,954,526)	(7,036,033)
Closing defined benefit obligation	73,292,535	47,921,745

Change in fair value of plan assets are as follows:

	2017-18 (₹)	2016-17 (₹)
Opening fair value of plan assets	25,046,823	20,305,225
Expected return on plan assets	1,328,660	1,043,686
Actuarial gain/(loss)	1,055,764	733,945
Contribution by the employer	15,000,000	10,000,000
Benefits paid	(6,954,526)	(7,036,033)
Closing fair value of plan assets	35,476,721	25,046,823

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 2018	For the year ended 31 March 2017
Investment with insurer	100%	100%

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-18	31-Mar-17
Discount rate	6.60%	6.15%
Expected rate of return on assets	7.00%	7.00%
Employee turnover		
<u>Managerial</u>		
Age : 21-44 years	30.00%	NA
Age : 45-59 years	1.00%	NA
<u>Non-Managerial</u>		
Age : 21-44 years	70.00%	70.00%
Age : 45-59 years	1.00%	1.00%
Salary escalation rate	7.00%	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.



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Axis Securities Limited

Notes forming part of the financial statements

Amounts for the current and previous four periods are as follows:

	31-Mar-18 (₹)	31-Mar-17 (₹)	31-Mar-16 (₹)	31-Mar-15 (₹)	31-Mar-14 (₹)
Defined benefit obligation	73,292,535	47,921,745	36,218,210	29,291,118	23,681,558
Plan assets	35,476,721	25,046,823	20,305,225	16,175,210	10,992,958
Surplus / (deficit)	(37,815,814)	(22,874,922)	(15,912,985)	(13,115,908)	(12,688,600)
Experience adjustment on plan liabilities	15,773,360	8,046,776	5,995,378	4,710,216	2,177,873
Experience adjustment on plan assets	1,055,764	733,945	988,114	223,884	247,652

23. 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 2018 and 31 March 2017 are ₹ Nil.

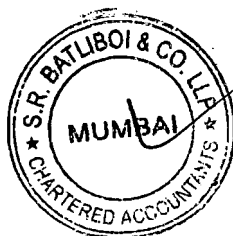
The Company also has not received any claims against interest outstanding amount due to any vendor registered under Micro, Small and Medium Enterprises Development Act, 2006.

24. Deferred Tax Asset arising on account of provision for :-

Particulars	31-Mar-18 (₹)	31-Mar-17 (₹)
Deferred tax assets comprises of timing difference on account of :		
Rent- Lease equalisation	11,909,084	8,491,902
Provision for doubtful debts	6,727,497	4,942,623
Retirement benefits	15,375,545	7,916,553
Others	818,357	3,398,405
Depreciation on fixed assets	3,740,760	(2,871,370)
Total	38,571,244	21,878,113

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

	31-Mar-18 (₹)	31-Mar-17 (₹)
Commitment for addition/acquisition of broking software	17,289,383	35,843,096
Commitment for ERP software	2,534,247	-
Commitment for leasehold improvement and other capital assets	31,849,579	10,179,630
Total	51,673,209	46,022,726



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Axis Securities Limited

Notes to financial statements for the year ended 31 March 2018

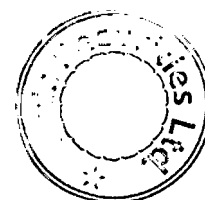
(Currency: ₹)

26 Segment information

Business segment	Principal activities		
Resources management and marketing of financial products ('Sales Division')	Division is involved in the business of marketing of third party retail asset products including providing resource management services.		
Retail broking ('Broking Division')	Share broking (online and offline mode) and other related activities including distribution of IPO and mutual funds and portfolio management services.		
For the year ended 31 March 2018			
Particulars	Sales Division	Retail Broking Division	Total
Segment revenue			
Gross income (external customers)	7,405,295,242 (5,839,517,250)	1,994,225,956 (1,626,443,512)	9,399,521,198 (7,465,960,762)
Other income (external customers)	27,030,447 (7,811,193)	78,815,417 (87,553,791)	105,845,864 (95,364,984)
Total revenue	7,432,325,689 (5,847,328,443)	2,073,041,373 (1,713,997,303)	9,505,367,062 (7,561,325,746)
Operating expenses	7,104,998,525 (5,556,465,455)	1,471,602,703 (1,218,491,871)	8,576,601,228 (6,774,957,326)
Unallocated expenses	-	-	-
Segment result	327,327,164 (290,862,988)	601,438,670 (495,505,432)	928,765,834 (786,368,420)
Taxation			(325,235,817) (271,402,379)
Net Profit			603,530,017 (514,966,041)
Segment assets	1,764,593,932 (866,197,587)	3,602,241,286 (3,345,637,281)	5,366,835,218 (4,211,834,868)
Segment liabilities	1,027,790,584 (690,767,646)	1,696,917,474 (1,519,682,401)	2,724,708,058 (2,210,450,047)
Net assets	736,803,348 (175,429,941)	1,905,323,812 (1,825,954,881)	2,642,127,160 (2,001,384,822)
Fixed assets addition during the year	34,923,431 (85,543,992)	141,952,651 (101,060,661)	176,876,082 (186,604,653)
Depreciation on fixed assets during the year	25,617,117 (26,798,515)	97,594,459 (73,194,603)	123,211,576 (99,993,118)

Figures in the bracket pertains to previous year ended 31 March 2017

Since the Company operates only in one domestic segment, there is no geographical segment reporting.



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Axis Securities Limited

Notes forming part of the financial statements

27. 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)

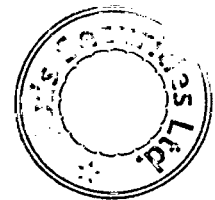
Fellow Subsidiaries

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)
Accelyst Solutions Private Limited (ASPL)
Axis Capital USA LLC.



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Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
Income				
Business sourcing fee income	4,144,592,277			4,144,592,277
	(3,430,599,237)			(3,430,599,237)
Resource management fee	3,259,954,179			3,259,954,179
	(2,407,123,151)			(2,407,123,151)
Interest on fixed deposits	5,656,981			5,656,981
	(41,025,153)			(41,025,153)
Resource management fees (AAMC)			748,785	748,785
			(1,794,862)	(1,794,862)
Bank interest	57,147			57,147
	(198,768)			(198,768)
Other income (AFL)			619,888	619,888
			(266,598)	(266,598)
Other income (AAMC)			24,046,975	24,046,975
			(12,756,175)	(12,756,175)
Other income (ACL)			826,507	826,507
			(4,317,606)	(4,317,606)
Brokerage income (Mr. Arun Thukral)		33,296		33,296
		(110,867)		(110,867)
Brokerage income (Mr. Anand Shaha)		3,465		3,465
		(4,294)		(4,294)
Brokerage income (Mr. Hemant Kumar Patel)		2,669		2,669
		(3,641)		(3,641)
				-
Expenses				
Salaries (Mr. Arun Thukral)	17,041,751			17,041,751
	(13,075,266)			(13,075,266)
Salaries (Mr. Anand Shaha)		7,452,188		7,452,188
		(7,168,088)		(7,168,088)
Salaries (Mr. Hemantkumar Patel)		4,375,808		4,375,808
		(3,824,864)		(3,824,864)
Salaries (Ms. Lovelina Faroz)		1,301,776		1,301,776
		(1,088,984)		(1,088,984)
Reimbursement for expenses	109,145,568		-	109,145,568
	(67,813,395)		(20,950)	(67,834,345)
Reimbursement for expenses (Mr. Arun Thukral)	391,031	101,872		492,903
	(172,866)	(214,078)		(386,944)
Bank charges & other charges paid	16,972,066			16,972,066
	(2,845,502)			(2,845,502)
Other expenses/ reimbursements (ACL)			911,560	911,560
			(12,400,000)	(12,400,000)
Other transactions				
Other reimbursement received (AFL)			402,950	402,950
			(430,750)	(430,750)
Reimbursement of operating expenses	-	14,310		14,310
	(1,043)	(16,020)		(17,063)



2

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
				-
Dividend paid	195,075,000			195,075,000
	(177,012,500)			(177,012,500)
				-
Guarantees received during the year				
	(310,000,000)			(310,000,000)
Outstanding balance as at 31 March 2018				
Other payables	15,273,959			15,273,959
	(12,746,541)			(12,746,541)
Accounts receivable-for services rendered	448,252,932			448,252,932
	(281,793,891)			(281,793,891)
Accounts receivable-for services rendered- (AAMC)			63,700	63,700
			(78,750)	(78,750)
Other receivables (AAMC)			2,996,036	2,996,036
			(1,545,715)	(1,545,715)
Other receivables (ACL)			-	-
			-	-
Other receivables (AFL)			56,989	56,989
			(94,834)	(94,834)
Current account	1,022,575,557			1,022,575,557
	(564,936,579)			(564,936,579)
Fixed deposit balance	75,511,160			75,511,160
	(86,960,313)			(86,960,313)

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) Related party relationship have been identified by the management and relied upon by the auditors.
- 3) Figures in bracket represents corresponding amount of previous year.



Axis Securities Limited

Notes forming part of the financial statements

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

	31-Mar-18 (₹)	31-Mar-17 (₹)
Bank of Baroda	1,000,000,000	850,000,000
IndusInd Bank	340,000,000	200,000,000
Total	1,340,000,000	1,050,000,000

29. Earnings per share ('EPS')

	31-Mar-18 (₹)	31-Mar-17 (₹)
Profit / (loss) after tax	603,530,017	514,966,041
Net profit / (loss) for calculation of basic and diluted EPS	603,530,017	514,966,041

	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	144,500,000	144,500,000

Basic earnings per share (₹)	4.18	3.56
Diluted earnings per share (₹)	4.18	3.56

30. Contingent liability :

Claims against the Company not acknowledged as debt.

(Amount in ₹)				
Nature of statute	Description	Forum where dispute is pending	As on 31 March 2018	As on 31 March 2017
Stamp Act	Penalty on Stamp	MP High Court	1,813,193	1,813,193
Income Tax	Penalty	ITAT	372,508	2,038,021
Income Tax	Penalty	ITAT	451,234	451,234
Income Tax	Income Tax	CIT (A)	30,701,225	30,701,225

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.

31. (a) Opening and closing stock (Stock-in-trade)

Category	Opening Stock		Closing Stock	
	Quantity	Value (₹)	Quantity	Value (₹)
Equity shares	Nil	Nil	Nil	Nil

(b) Purchase and sale

Category	Purchase		Sale	
	Quantity	Value (₹)	Quantity	Value (₹)
Equity shares	249,551	28,856,989	249,551	28,146,451
	(36,717)	(12,276,237)	(36,717)	(12,218,461)
Derivatives	60,330	36,436,904	60,330	36,340,352
	(79,925)	(62,743,503)	(79,925)	(62,729,780)



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Axis Securities Limited

Notes forming part of the financial statements

32. Details of CSR Expenditure :

	31-Mar-18 (₹)	31-Mar-17 (₹)
Gross amount required to be spent by the company during the year	13,377,717	9,084,317
	13,377,717	9,084,317

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

- i) Construction/acquisition of any asset
- ii) On purposes other than (i) above

	In cash (₹)	Yet to be paid in cash (₹)	Total (₹)
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	13,377,717	-	13,377,717

(b) Amount spent during the year ending on 31st March, 2017:

- i) Construction/acquisition of any asset
- ii) On purposes other than (i) above

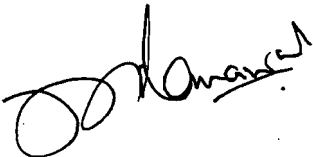
	In cash (₹)	Yet to be paid in cash (₹)	Total (₹)
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	9,084,317	-	9,084,317

33. During the year, the holding company issued 83,000 [Previous year: 82,000] 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 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 financials statements.

34. Previous year comparatives

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

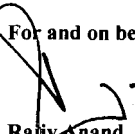
For S. R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants



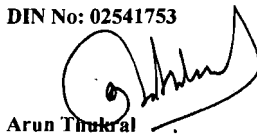
per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 10 April 2018



For and on behalf of the board of Directors




Rajiv Anand
Chairman
DIN No: 02541753



Arun Tiwari
Managing Director & CEO
DIN No: 03043072



Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N



Anand Shaha
Whole-time Director
DIN No: 02421213



Lovelina Faroz
Company Secretary
PAN: AARPF3613K

