

Axis Capital Limited

DIRECTORS' REPORT

DEAR MEMBERS,

The Directors are pleased to present the Fifteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL PERFORMANCE:

During the year, the Company achieved a consolidated and standalone total income of Rs.406.93 Crs and Rs.406.77 Crs respectively.

The Consolidated and Standalone Financial Results of the Company for the year ended 31st March 2021 are given below:

Particulars	Consolidated		Standalone	
	2020-2021	2019-2020	2020-2021	2019-2020
Operating Income(A)	380.70	240.78	380.61	240.69
Interest Income on Fixed Deposits and Miscellaneous Income (B)	26.23	29.76	26.16	29.75
Total Income (A)+(B)	406.93	270.54	406.77	270.44
Operating Expenses	210.56	168.60	210.64	168.34
Profit/(Loss) before Depreciation, provisions for tax & Write Back/Off	196.37	101.94	196.13	102.10
Depreciation	1.46	1.22	1.46	1.22
Less : -Short /Excess Provision of earlier years Written off / Written Back	- 0.19	- 0.77	- 0.19	- 0.77
Provisions for Tax	56.66	35.09	56.66	35.09

(₹ in Crs)



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Profit / (Loss) After Tax	138.44	66.40	138.20	66.56
Other comprehensive income	0.20	0.72	0.07	0.36
Total comprehensive income for the year	138.24	67.12	138.13	66.92

TRANSFER TO RESERVES

During the year under review, the Company did not transfer any amount to the Reserve.

BUSINESS OVERVIEW AND REVIEW OF OPERATIONS

OPERATIONS

Your Company is presently engaged in two lines of business namely Investment Banking and Institutional Equities.

Investment Banking

- FY21 has been an eventful year, one full of surprises with the market mood changing faster than the seasons. Axis Capital maneuvered its way through the tumultuous ups and downs of the capital markets by proactively identifying the signals from the noise. While the year started with shadow of pandemic across the globe and subdued deal activity, we have successfully completed 60 transactions during the year across the gamut of investment banking products thereby making it one of the best years ever.
- Equity fund raising in FY21 was significantly higher as compared to any of the previous years both on primary and secondary side, although secondary volume was far higher during the year. Fund raising on account of IPOs/ FPO (including REIT IPOs) was INR 54,568 CR as compared to INR 170,810 cr raised through secondary market transactions like QIPs (including REIT QIP), Rights Issue and OFS raising the total for the year FY21 to INR 225,378 cr (across 117 transactions) as compared to total fund raise of INR 144,891 cr (across 65 transactions) in FY20. Huge surge in secondary fund raise was also on account



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of 6 large transactions – Reliance Industries Rights Issue (INR 53,124 cr) and 5 large BFSI QIP transactions aggregating to ~INR 65,000 crore.

- Axis Capital's Investment Banking division completed 60 transactions across Equity Capital Markets (ECM) (52 transactions) and Advisory businesses (8 transactions). These include IPOs/FPO, QIPs, OFS, Rights Issue, Buybacks, Open Offers, M&A, Private Equity and Structured Finance.
- Axis Capital successfully completed 52 ECM transactions during the year (as against 24 in FY20) including 15 IPOs / FPO, 15 QIPs, 8 Rights Issues, 5 OFS, 6 Buybacks, 1 Open Offer, 1 Preferential Issuance and 1 ECM Advisory transaction this year- an unprecedented feat in the industry. Our equity offerings were welcomed by all investors – demonstrated through multiple times over-subscriptions and confidence inducing after-market demand. Besides the traditionally large sectors like BFSI, Axis Capital continued to bring sunrise products/ sectors to the capital markets, such as REITs, Specialty Chemicals, Tech, Retail and ESG. Some of the marquee completed transactions for the year include IPOs of Mindspace REIT, Brookfield REIT, UTI AMC, QIP of HDFC Limited, ICICI Bank, Axis Bank, Godrej Properties, Bank of Baroda, Apollo Hospitals,

PVR Ltd, SRF Ltd, AU SFB, Rights Issue of Reliance Industries, L&T Finance, Mahindra & Mahindra Financial Services and Open offer of Magma Fincorp.

- Many of the transactions executed by Axis Capital during the year were landmark transactions – Reliance Industries Rights Issue (largest ever fund raise in the history of Indian Capital Markets), HDFC Limited QIP (largest QIP ever), Yes Bank FPO (Largest ever FPO), Godrej Properties QIP (largest capital raise by Godrej Group), Bank of Baroda (2nd largest QIP by a PSU Bank), Embassy Office Parks REIT (India's 1st REIT QIP) to quote a few.
- Leadership established in REITs – Axis Capital acted as the Banker to every single REIT transaction in the country. We led all the 3 REITs (2 IPOs and 1 QIP) that happened during the year and were the highest procurer in 2 out of 3 transactions.



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- Our marketing and regulatory teams did an outstanding job across deals. While we continued to provide leadership to the transactions, we were also the highest procurer in many large transactions. Given our regulatory expertise and experience, we continued to be one of the preferred left lead bankers.
- FY21 turned out to be a landmark year for the Axis Capital M&A team. The year commenced on a subdued note with the pandemic bringing all transaction dialogues to a virtual halt. New mechanisms had to be devised to replace traditional transaction processes like physical meetings and site visits which were no longer feasible. We diligently worked with our clients in a highly cautious environment to put in place alternate approaches to help announce marquee transactions with high visibility and fee potential, including Piramal Group's sale of glass packaging business to Blackstone, the largest PE buyout transaction in India in 2020 and the largest ever transaction in the Indian packaging industry. We also assisted Axis Bank in taking a strategic position in the life and health insurance space through investments in Max Life Insurance and Max Bupa Health Insurance respectively. We continued to build on our longstanding track record of being associated with some of the most complex restructurings in the Indian market by acting as an advisor for the Group Reorganization of Motherson Sumi Systems Ltd., the largest corporate restructuring transaction in India in 2020.

During the year, we closed 2 large Private Equity transactions with funds like Warburg Pincus, TrueNorth and Bain Capital. The transactions included acting as Exclusive buy-side advisor to Bain Capital for acquiring significant minority stake in a leading logistics player in India and Advisor to HomeFirst Finance and TrueNorth for primary & secondary fund raise. We also executed multiple block deals for PE funds including Westbridge Capital, TVS Capital, Warburg Pincus, Bain Capital, Convergent, etc. Further, we also managed to generate several IPO mandates backed or owned by marquee PE funds such as Craftsman Auto, Kalyan Jewelers, Star Health and Allied Insurance, etc.

- During the year, Structured Finance team completed 2 transactions. The team successfully concluded fund raising for the Promoters of a leading mobile phone manufacturing company in India. Also, the team acted as advisors for settlement and



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refinancing of existing lenders by issue of structured credit bonds for a leading cement company.

Institutional Equities

FY20-21 started on a sober note given the meltdown in Q4 of the previous year but the coordinated regulatory action globally and in India helped us swiftly put the losses behind us. Corporate India was quick to follow their peers globally and spruce up their balance sheets in uncertain times that led to a huge spike in capital raising activities; the liquidity measures adopted by the central banks led to significant inflows into the equities markets that led to the index taking out its previous all-time highs.

Nifty the benchmark Index touched all time high of 15,430 from 8,000 levels starting of the year returning over 77% during this period. Foreign institutional flow did bulk of the heavy lifting INR 275,000 crs of inflows (approx. \$39 bln) even as domestic investors were sellers to the tune of INR 134,000 crs (approx. \$19 bln) in the secondary markets as a large primary issuance calendar sucked out some of the on-tap liquidity.

We made some important organizational hires – 2 co heads Deepak Ramachandra & Pranav Haridasan from BAML & Citi with more than 40 years of experience between them; revamped our derivatives team with new hires that has led to a 4x jump in volume & 2x in commissions. We also hired a CTO with more than 15 years of experience building out technology at various global investment banks. Alongside we revamped our technology platform, risk architecture, hardware and trading software to enhance client experience.

Axis Capital was quick to adapt and offer more than 124 corporate events for its domestic & global institutional client base in a virtual digital platform. Our marquee Annual Institutional Investor Conference, Banking & Financial Tech and Auto Conference received exemplary investor feedback. We organized an exclusive CIO series for senior mgmt. of our top ranked

funds leading corporates such as Dr Reddy, Godrej Properties, Bharti Airtel, Maruti, Cadilla, JSW Steel, L&T, Biocon & United Spirits amongst others attended.



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We stood out on the ECM front with over 46 transactions during the year including IPOs, FPO, QIPs, Right Issues, OFS, Preferential Offers, etc. In majority of the transactions we outsold our competition and topped the league tables for the year.

Even as market volumes continued to increase the overall commission pot reduced as a result of migration to lower earning avenues such as Program & Electronic Trading. We continued to gain revenue led market share even as our overall volume share declined as we re-prioritized to focus on higher margin business. Axis Capital also introduced our Electronic Offering in Dec 2018 and we now have 9 domestic institutions, 1 AIF and 1 FPI investor that currently use our technology. In addition we have added nearly 481 institutional accounts and sub-accounts during the year that will help further our client mining strategy.

DIVIDEND

The Board of Directors has recommended a payment of dividend of Rs. 2.70 (previous year Interim Dividend of Rs.1.25 and Final Dividend of Rs.6.00) per equity share of Rs. 10/- each for the financial year 2020-21, absorbing a sum of Rs. 19,84,50,000 (previous year Rs. 53,28,75,000) towards dividend amount and Rs. Nil/- (previous year Rs. 1,88,85,177) towards Dividend Distribution Tax. The recommendation of lower dividend for the financial year 2020-21 is to conserve cash in the Company to meet the uncertainties arising out of COVID-19.

The Dividend, if declared by the Members at the Fifteenth Annual General Meeting, shall be the final dividend for the financial year 2020-21.

SUBSIDIARIES:

As on March 31, 2021, the Company has one subsidiary set up in the United States of America viz. Axis Capital USA LLC. The Subsidiary Company is registered as Broker Dealer after obtaining all the requisite Regulatory approvals. There has been no material change in the nature of the business of Subsidiary Company. The salient features of the financial



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statement of Subsidiary Company for the year ended 31stMarch, 2021, is given in Form AOC-1 (Annexure 'A') which forms part of this Report.

Further, the Financial Statement of Axis Capital USA LLC is required to be consolidated as per Indian Accounting Standards (Ind-AS).

MATERIAL CHANGE AND COMMITMENT

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report. During the financial year 2020-21, there has been no change in the nature of the Company's business.

EXTRACT OF ANNUAL RETURN

Copy of the Annual Return is placed on the website of the Company at www.axiscapital.co.in

THE 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 Companies Act, 2013 and Rule – 8 of the Companies (Accounts) Rules, 2014, it is to be noted that during the financial year 2020-21, there were no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's and its operations.



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

Risk Management is a key function in the 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 robust risk management framework and the same is subject to periodic review by the Risk Management Committee of the Board, Group Level and at the Board of Directors level.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted the code of conduct for employees and also directors for the highest degree of transparency, integrity, accountability. 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.



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The Policy is to provide framework for an effective vigil mechanism and to provide protection to employees 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.

DIRECTORS

The Board of Directors, along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board of the Company commensurate with its size and business operations. In addition to the governance practices, the Board lays strong emphasis on transparency, accountability and integrity. At present, the Board strength is seven (7) Directors comprising of two (2) Executive Directors, two (2) Non-Executive Directors, representing shareholders and three (3) Independent Non-Executive Directors.

- **Composition of the Board of the Company:**

Name of the Director(s)	Category
Mr. Amitabh Chaudhry	Chairman (Non- Executive)
Mr. Salil Pitale	Jt. MD & Co-CEO
Mr. Chirag Negandhi	Jt. MD & Co-CEO
Prof. Samir Barua	Director (Independent)
Mr. Bahram Navroz Vakil	Director (Independent)
Ms. Sutapa Banerjee	Director (Independent)
Mr. Rajiv Anand	Non- Executive Director

During the year under review, there were no changes to the constitution of Board of Directors of the Company:

In compliance with Section 152 of the Act and the Articles of Association of the Company, Mr. Amitabh Chaudhry (DIN: 00531120) and Mr. Rajiv Anand (DIN: 02541753)



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being longest serving Directors, retire by rotation and being eligible offer themselves for re-appointment as Directors of the Company. The brief details of Mr. Amitabh Chaudhry and Mr. Rajiv Anand, who are proposed to be re-appointed as required under Secretarial Standard 2 ("SS-2") is being provided in the Notice convening the Fifteenth Annual General Meeting of the Company.

As was reported in the previous year's report, Prof. Samir Kumar Barua (DIN: 00211077) and Mr. Bahram Vakil (DIN: 00283980) were re-appointed as independent directors of the Company for a second term of five consecutive years from June 24, 2020 to June 23, 2025. The Board after taking declaration/disclosure received from the Independent Directors on record and acknowledging the veracity of the same, opined that the Independent Directors are persons of integrity and possess the relevant expertise and experience, fulfills the conditions specified in the Companies Act, 2013 for appointment of Independent Directors and are Independent of the Management.

All the Directors of the Company have confirmed that they are not disqualified to act as Directors of the Company in terms of Section 164 of the Act.

PARTICULARS OF MEETINGS

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

Sr. No.	Type of Meeting	Number of meetings held
1.	Board Meeting	6
2.	Audit Committee Meeting	5
3.	Nomination & Remuneration Committee Meeting	1
4.	Risk Management Committee Meeting	1
5.	Corporate Social Responsibility Committee Meeting	1
6.	General Meeting (including Extra- Ordinary General Meeting)	1



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The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

Mr. Salil Pitale – Jt Managing Director & Co-Chief Executive Officer, Mr. Chirag Negandhi – Jt Managing Director & Co-Chief Executive Officer, Mr. Natarajan Mahadevan – Company Secretary & Compliance Officer and Mr. Neelesh Baheti – Chief Financial Officer are the Key Managerial Personnel of the Company in terms of Section 203 of the Act.

A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF DIRECTORS.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance and that of its committees and individual Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out by feedback survey from each director covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, professional conduct, roles and functions, discharge of duties and their contribution to Board/Committees/Senior Management, contributions at the meeting etc.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION – 149 (6)

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



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qualify to be independent directors pursuant to the Rule 5 and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

COMMITTEES

i. AUDIT COMMITTEE

The Audit Committee consists of five Directors namely Prof. Samir Barua, Mr. Bahram Vakil, Ms. Sutapa Banerjee, Mr. Rajiv Anand and Mr. Salil Pitale. The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.

ii. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of Prof. Samir Barua, Mr. Bahram Vakil, Mr. Rajiv Anand and Mr. Salil Pitale.

iii. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of Prof. Samir Barua, Mr. Bahram Vakil, Ms. Sutapa Banerjee, Mr. Salil Pitale and Mr. Chirag Negandhi.

iv. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of Mr. Bahram Vakil, Mr. Rajiv Anand, Mr. Salil Pitale and Mr. Chirag Negandhi.

SHARE CAPITAL:

As on March 31, 2021, the issued, subscribed and paid-up equity share capital of the Company stood at Rs. 73,50,00,000 (comprising of 7,35,00,000 Equity Shares of Rs. 10



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each). During the year under review, there was no change in the Authorized, Issued, Subscribed and Paid – Up Share Capital of the Company. Further, there has been no change in the issued and paid up capital after March 31, 2021 till the date of this report.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposit pursuant to Section 73 and section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2021.

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

Information as per Section 134(3)(m) of the Companies Act, 2013 relating to the Conservation of Energy and Technology Absorption is not given since the Company is not engaged in any manufacturing activity. There is no foreign technology involved/ absorbed.

During the year under review, the Company has earned Foreign Exchange of Rs. 1,064.23 lakhs. The Company had incurred total expenditure in Foreign Exchange of Rs. 446.19 lakhs. The capital contribution in Company's Foreign Subsidiary Company viz. Axis Capital USA LLC is Nil as of March 31, 2021.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION- 186

Information as per Section 134(3)(g) of the Companies Act, 2013, relating to the Particulars of Loans, Guarantees or Investment under Section – 186 is not applicable to the Company as it has not made any loans, guarantees and investments covered under section 186 of the Act.



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

Information as per Section 134(3)(h) of the Companies Act, 2013 relating to the particulars of contracts, or arrangements with related parties under Sub – Section (1) of Section 188 is annexed as Annexure 'C' to this report in terms of the requirements. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are 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 and also before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are Audited and a statement giving details of all related party transactions is placed before the Audit Committee.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Corporate Social Responsibility Committee (the "CSR Committee") is established by the Board in accordance with Section 135 of the Act. The CSR Committee has approved and adopted the Corporate Social Responsibility ("CSR") Policy. The CSR Policy of the Company, inter alia, lists the activities that can be undertaken or supported by the Company for CSR, composition and meetings of CSR Committee, details of existing charitable trusts within the Axis Group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/ implementation of



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CSR activities and the monitoring mechanism of CSR activities/projects. The CSR policy is made available on the Company's website at www.axiscapital.co.in

During the year under review, the Company has contributed Rs. 247.37 Lakhs (being 2 percent of the average net profit of the Company in the immediately three preceding financial years calculated as per Section 198 of the Act) towards CSR expenditure in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are in accordance with Schedule VII of the Companies Act, 2013. The details of Projects undertaken are attached herewith as Annexure 'D' and forms part of this Report.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Companies Act, 2013 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, criterion 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. The details whereof are attached herewith as Annexure 'E'.

In terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the Members at the Registered Office of the Company during business hours on working days. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Company. The Board hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.



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DIRECTORS RESPONSIBILITIES STATEMENT

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013, 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.

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 and of the profit of the Company for the year ended 31st March 2021.

- ii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iii. The annual accounts of the Company have been prepared on a going concern basis.
- iv. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCES

1. The Balance Sheet and Statement of Profit and Loss for the year under review are revised as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.
2. The Company has complied with the applicable Secretarial Standards viz. SS-1 and SS-2 during the year.



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AUDITORS

i. STATUTORY AUDITORS:

M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, FRN-103523W/W100048, were appointed as the Statutory Auditors for a period of 5 years i.e. from the conclusion of 11th Annual General Meeting till the conclusion of 16th Annual General Meeting, pursuant to the applicable provisions of the Act. The requirement to place the matter relating to appointment of auditors for ratification by the members at every AGM has been done away by the Companies (Amendment) Act, 2017. Accordingly, no resolution has been proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting.

OBSERVATIONS OF STATUTORY AUDITORS

The statutory auditors have issued their unmodified opinion, both on standalone and consolidated financial statements for the year ended March 31, 2021 and that they have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013:

During the year under review, there were no incidences of frauds reported by the Statutory Auditors.



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ii. SECRETARIAL AUDIT

Pursuant to the requirements of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report as received from M/s. Sandeep V. Walawalkar & Associates, Company Secretaries in Practice, is appended as Annexure 'F' to this Report. There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report.

iii. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s. M/s. Khimji & Khuverji, Chartered Accountants, (FRN: 104674W) to undertake the Internal Audit of the Company for the year under review.

MAINTENANCE OF COST RECORDS

The provisions of Section 148 (1) of the Act relating to maintenance of cost records are not applicable to the Company during the year under review.

CORPORATE GOVERNANCE

The Company's policy on Corporate Governance has been:

- 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.



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- iii. To also identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.

PREVENTION OF SEXUAL HARASSMENT

During the year under review, the Company had not received any Complaint in respect of Sexual Harassment.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

FUTURE OUTLOOK

Even as market volumes continued to increase the overall commission pot reduced as a result of migration to lower earning avenues such as Program & Electronic Trading. We continued to gain revenue led market share even as our overall volume share declined as we re-prioritized to focus on higher margin business. Axis Capital also introduced our Electronic Offering in Dec 2018 and we now have 9 domestic institutions, 1 AIF and 1 FPI investor that currently use our technology. In addition we have added nearly 481 institutional accounts and sub-accounts during the year that will help further our client mining strategy.

Whereas Pandemic is not over yet but we believe deal activity will continue to be robust. It may not be at a heightened level like FY21 due to ongoing uncertainty and fear sparked off in financial markets by the second wave of coronavirus, the current situation may also provide an opportunity for companies with stronger balance sheets to look for suitable targets and consolidate their market position. We believe ECM activity will continue to be robust with more and more new age companies planning to go public in the next 12 to 18 months.

We continue to be involved in a number of strategic dialogues with our clients spanning multiple sectors, which give us confidence for another year of robust M&A activity in FY22. Business optimism stemming from sharp business recovery in second half of FY 21 and



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availability of inexpensive capital given low interest rates at current juncture is being somewhat tempered by the recent resurgence in Covid cases. However, with the Indian corporate leadership better prepared for any temporary adverse events, capital reallocation decisions, including M&A, are expected to continue to garner significant management attention.

Private Equity activity in the coming year is expected to be driven by continued monetization in the IPO market and combination of pre-IPO, growth and control deals. Two themes that continue to emerge are: a) Larger private equity firms are increasingly focused on buy-out transactions and b) Emergence of technology and new economy companies which are gaining flavor with PE investors.

The current landscape in the economy will provide interesting opportunities in the Structured Finance domain. With traditional sources of funding drying up and Mutual Funds currently on sidelines, this space is expected to be dominated by the AIFs (CAT- II) and high pedigree NBFCs. International credit funds are also expected to look actively for assets in pre-stress/ stress category.

Overall, we believe FY22 to be a strong year with strong transaction pipeline across ECM and advisory products.

ACKNOWLEDGEMENT

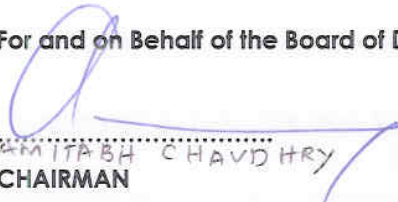
Your Directors would like to express their gratitude for all the guidance and co-operation received from Axis Bank. Your Directors would like to place on record their gratitude and thanks to the esteemed clients, Bankers, Auditors, Central, State and Local Government Departments and Bodies for their continued support and co-operation.

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



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For and on Behalf of the Board of Directors


AMITABH CHAUDHRY
CHAIRMAN

DIN: 00531120

Place: Mumbai

Date: APRIL 16, 2021



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Annexure 'A'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(Information in respect of each subsidiary/ Associate Companies/ Joint Venture Companies to be presented with amounts in Rs)

Part "A": Subsidiaries*

(₹ in lakhs)

Sr. No.	Particulars	Particulars
1	Name of the subsidiary	Axis Capital USA LLC
2	The date since when subsidiary was acquired	02/08/2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	73.11
5	Share capital	495.88
6	Reserves and Surplus	(95.99)
7	Total Assets	420.37
8	Total Liabilities	20.48
9	Investments	338.66
10	Turnover	195.40
11	Profit before taxation	14.91
12	Provision for taxation	0.37
13	Profit after taxation	14.54
14	Proposed Dividend	-
15	% of shareholding	100%

*provisional figures based on unaudited financials

Note:- Reporting currency of these subsidiaries is USD and exchange rate as on the last day of the financial year ending 31st March, 2020 is 1USD=₹73.11



Axis Capital Limited

Part "B": Associates

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

The Company does not have any Associate and Joint Venture Companies.

For and on Behalf of the Board of Directors


.....
AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120

Place: Mumbai

Date: APRIL 16, 2021



Axis Capital Limited

As on the financial year ended on March 31, 2021

[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:

S. No	Particulars	Details
i)	Corporate Identification Number	U51900MH2005PLC157853
ii)	Registration Date	06/02/2005
iii)	Name of the Company	Axis Capital Limited
iv)	Category / Sub-Category of the Company	Public company limited by shares and having share capital
v)	Address of the Registered office and contact details	Axis House, 8 th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025 Maharashtra, IN Tel- 022- 4325 1199 Fax- 022-4325 3000 Email – natarajan.mahadevan@axiscap.in Website – www.axiscap.in
vi)	Whether Shares are listed on Recognized Stock Exchange	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KARVY COMPUTERSHARE PVT. LTD. 17-24 Vithal Rao Nagar, Madhapur, Hyderabad- 500 081 Telangana, IN Tel- 040 – 4465 5265 Fax- 040 - 4465 5265 Email – ramchandra.v@karvy.com

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:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Merchant Banking	67110	59%
2	Stock Broking	67120	34%
3	Mutual Fund Advisory and Treasury	67190	6%



Axis Capital Limited

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Axis Bank Limited Add: 8 th Floor, Axis House =, C-2 Wadia International Center, P. B. Marg, Worli, Mumbai – 400 025	L65110GJ1993PLC020769	Holding	100*	Section 2(46)
2	Axis Capital USA LLC Add: 405 Lexington Avenue, Suite 714, NYC, New York 10174	File No. 6499349	Subsidiary	100	Section 2(87)

*Including 60 shares (0.000008%) held by individuals as Nominee of Axis Bank Limited (Beneficial ownership is with Axis Bank Limited)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	73500000	NIL	73500000	100%	73500000	NIL	73500000	100%	NIL
f) Any									
Other....	73500000	NIL	73500000		73500000	NIL	73500000	100%	NIL
Sub-total (A)				100%					
(1):-									
(2) Foreign									



Axis Capital Limited

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) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks / FI e) Any Other....	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)	73500000	NIL	73500000	NIL 100 %	73500000	NIL	73500000	100%	NIL
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual									



Axis Capital Limited

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	
shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify) Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				
Grand Total (A+B+C)	73500000				73500000				NIL

*Including 60 shares held by individual as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

**Being shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)



Axis Capital Limited

ii) Shareholding of Promoters

S. 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	7,35,00,000*	100%	NIL	7,35,00,000*	100%	NIL	NIL
	Total	7,35,00,000	100%	NIL	7,35,00,000	100%	NIL	NIL

*Including 60 shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	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
	At the beginning of the year	*7,35,00,000	100	* 7,35,00,000	100
	At the End of the year	* 7,35,00,000	100	* 7,35,00,000	100

*Including 60 shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

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

Note- 100% shares are held by Axis Bank Limited, the holding Company including 60 shares held by individuals as Nominee of Axis Bank Limited (beneficial ownership of which is with Axis Bank.)



Axis Capital Limited

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	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
	At the Beginning of the year:					
1						
2		NIL				
3						
	At the End of the year:					
1						
2		NIL				
3						

Note - / Decrease in Promoters Share holding during the years specifying the reasons for increase / decrease (e.g./transfer / bonus/ sweat equity etc):

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				
□ Reduction				
Net Change				
Indebtedness at the end of the financial year				



Axis Capital Limited

i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs. In Lacs)
		Salil Pitale	Chirag Negandhi		
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	182.50	182.50		365.00
2	Stock Option	263.98	263.98		527.96
3	Sweat Equity				
4	Commission as % of profit				
5	Others, please specify Variable Incentives	219.00	218.60		437.60
	Total (A)	665.48	665.08		1330.56
	Ceiling as per the Act *10% of the net profit calculated as per Section 198				2029.51

B. Remuneration to other directors:

S. no.	Particulars of Remuneration	Name of Directors			Total Amount (Rs. in lakhs)
		Prof Samir Barua	Mr. Bahram Vakil	Ms. Sutapa Banerjee	
1.	Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission	8.50	9.00	7.00	24.50



Axis Capital Limited

	<input type="checkbox"/> Others, please specify				
	Total (1)				
	2. Other Non-Executive Directors <input type="checkbox"/> Fee for attending board /	NONE			NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Rs in Lakhs)	CFO (Rs in Lakhs)	Total (Rs in Lakhs)
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	94.71	81.18	175.89
2	Stock Option	49.61	-	49.61
3	Sweat Equity			
4	Commission as % of profit			
5	Others - Variable pay	28.83	9.25	38.08
	Total	173.15	90.43	263.58

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): NONE





Axis Capital Limited

For and on Behalf of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Amitabh Chaudhry', written over a dotted line.

AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120

Place: Mumbai

Date: APRIL 16, 2021



Axis Capital Limited

ANNEXURE 'C'

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

FORM NO. AOC -2

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

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 transaction under third proviso thereto.

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date 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 contracts or arrangements or transactions at arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. Axis Bank Limited (Holding Company) 2. Axis Securities Limited (Fellow Subsidiary Company)



Axis Capital Limited

SL. No.	Particulars	Details
		3. Axis Trustee Services Limited 4. Axis Capital USA LLC (Subsidiary Company)
b)	Nature of contracts/arrangements/transaction 1. Axis Bank Limited (Holding Company) 2. Axis Securities Limited (Fellow Subsidiary Company) 3. Axis Trustee Services Limited 4. Axis Capital USA LLC (Subsidiary Company)	1. Availing and rendering services 2. Availing and rendering services 3. Rendering services 4. Availing services
c)	Duration of the contracts/arrangements/transaction	1. Continuous 2. Continuous 3. Continuous 4. Continuous
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Kindly refer to the Financial Statements
e)	Date of approval by the Board	Quarterly
f)	Amount paid as advances, if any	NIL

For and on Behalf of the Board of Directors



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AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120

Place: Mumbai

Date: April 16, 2021



Axis Capital Limited

ANNEXURE 'D'

ANNUAL REPORT ON CSR ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

- Brief outline on CSR Policy of the Company.
- Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Bahram Vakil	Chairman	1	1
2.	Mr. Rajiv Anand	Executive Director, Axis Bank	1	1
3.	Mr. Salil Pitale	Joint Managing Director & Co-CEO	1	1
3.	Mr. Chirag Negandhi	Joint Managing Director & Co-CEO	1	1

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			



Axis Capital Limited

2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5). - ₹1,37,18,09,922
7. (a) Two percent of average net profit of the company as per section 135(5) - ₹2,74,36,200
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
- (c) Amount required to be set off for the financial year, if any - Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c). - ₹2,74,36,200
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹2,74,37,000					

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration
1												
2												
3												
	TOTAL											



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(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	N M Sadguru Water and Development Foundation (NMSWDF) Foundation for Ecological Security (FES)	Sustainable Livelihood [Clause(ii)]	No	Gujarat Rajasthan Karnataka	Dohad, Panch Mahals, Banswara, Jhalawar, Bhilwara, Pratapgarh, Udaipur, Chikkaballapura	₹2,74,37,000	No	Axis Bank Foundation	CSR00002350
	TOTAL					₹2,74,37,000			

- (d) Amount spent in Administrative Overheads - Nil
- (e) Amount spent on Impact Assessment, if applicable - Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹2,74,37,000
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	₹2,74,36,200
(ii)	Total amount spent for the Financial Year	₹2,74,37,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-



Axis Capital Limited

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details). - Nil

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.



Axis Capital Limited

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - Nil

 SALIL PITALE JT. MD & Co-CEO DIN: 07824218	 CHIRAG NEGANDHI JT. MD & Co-CEO DIN: 06988113	 BAHRAM VAKIL CHAIRMAN-CSR COMMITTEE DIN: 00283980	 RAJIV ANAND EXECUTIVE DIRECTOR, AXIS BANK DIN: 02541753
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Place: Mumbai

Date: April 16, 2021



Axis Capital Limited

ANNEXURE 'E'

NOMINATION & REMUNERATION POLICY

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

OBJECTIVE

The Nomination and Remuneration/Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement and Guidelines of Reserve Bank of India. The objective of this policy is to lay down a framework in



Axis Capital Limited

relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.
- 1.9. To assist the Board in fulfilling responsibilities.
- 1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel



Axis Capital Limited

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

"Senior Management" means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.



Axis Capital Limited

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

- a) **Managing Director/Whole-time Director:**
- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed



Axis Capital Limited

companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:



Axis Capital Limited

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.



Axis Capital Limited

DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

REVIEW AND AMENDMENT

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.





Axis Capital Limited

ANNEXURE 'F'

SECRETARIAL AUDIT REPORT





Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Axis Capital Limited
CIN- U51900MH2005PLC157853
Axis House, Wadia International Centre,
P B 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 Capital Limited** (hereinafter called 'the Company') for the year ended on 31st March 2021 (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 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Applicable only to the extent of Overseas Direct Investment during the financial year under review**].
- (v) 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;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [**Not Applicable during the financial year under review**];

UDIN - F009646C000030964

9th April 2021



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];**
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
 - (g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];**
 - (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];**
 - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];**
- (ii) The management has identified and confirmed the following laws as specifically applicable to the Company:
- (a) SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended
 - (b) SEBI (Merchant Bankers) Regulations, 1992, as amended
 - (c) The Indian Stamp Act, 1899 (as amended) and the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019
 - (d) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - (e) Maharashtra State Tax on Professions, Trade, Callings & Employments Act, 1975
 - (f) Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017
 - (g) The Delhi Shops and Establishments Act, 1954
 - (h) The Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972
 - (i) The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
 - (j) The Maternity Benefit Act, 1961
 - (k) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the Scheme provided thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

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



UDIN - F009646C000030964

9th April 2024

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. During the period under review, there was no change in the composition of the Board of Directors of the Company.

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 where the same were given at shorter notice than seven days, prior consent thereof were obtained 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 and at Committees 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.


We further report that

During the audit period, the Members at the 14th Annual General Meeting held on 26th June 2020, inter-alia approved the following special business;

1. Re-appointment of Prof. Samir Kumar Barua (DIN: 00211077) as an Independent Director of the Company for a second term of five consecutive years from June 24, 2020 to June 23, 2025; and
2. Re-appointment of Mr. Bahram Vakil (DIN: 00283980) as an Independent Director of the Company for a second term of five consecutive years from June 24, 2020 to June 23, 2025.

During the audit period, there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Sandeep V. Walawalkar & Associates
Company Secretaries
UIN-S2016MH375200


Sandeep V. Walawalkar
Proprietor
FCS-9646, C.P. No. 16135



UDIN- F009646C000030964
Date- 9th April 2024
Place: Mumbai



SANDEEP V. WALAWALKAR & ASSOCIATES
Company Secretaries

To,

The Members,

Axis Capital Limited

CIN- U51900MH2005PLC157853

Axis House, Wadia International Centre,

P B Marg, Worli,

Mumbai 400025

Our Secretarial Audit Report of even date, for the financial year 2020-21 is to be read along with this letter.

Management's Responsibility

- The compliance of provisions of all laws, rules, regulations, standards applicable to Axis Capital Limited (the 'Company') is the responsibility of the management of the Company.
- Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company.

Auditor's Responsibility

- 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.
- 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.
- Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

Disclaimer

- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 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 Sandeep V. Walawalkar & Associates
Company Secretaries
UIN-S2016MH375200

Sandeep V. Walawalkar
Proprietor
FCS-9646, C.P. No. 16135



Date- 9th April 2021
Place: Mumbai

Standalone Financial Statements
for the year ended 31 March 2021

AXIS CAPITAL LIMITED

Registered Office:
Axis House, 8th Floor
Wadia International Centre
Pandurang Budhkar Marg, Worli - 400025
Mumbai, Maharashtra

HARIBHAKTI & CO. LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Capital Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Axis Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- h. 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 standalone Ind AS financial statements - Refer Note 35 on Contingent Liabilities to the standalone Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;



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(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048


Purushottam Nyati

Partner

Membership No.118970

UDIN: 21118970AAAACX4708

Place: Mumbai

Date: April 16, 2021



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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Axis Capital Limited on the standalone Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of physical verification of fixed assets to cover all the items in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties. Therefore, clause 3(i) (c) of the Order is not applicable to the Company.
- (ii) The Company's stock-in trade comprises of securities, which is held in dematerialised form. 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 are 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 with book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.



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(vii)

- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues outstanding with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute, except as follows:

Name of the statute	Nature of dues	Amount in lakhs Rs.	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax and Interest	185.55	A.Y. 2010 - 2011	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax and Interest	572.62	A.Y. 2012 - 2013	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax and Interest	1.98	A.Y. 2014 - 2015	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax and Interest	109.97	A.Y. 2018 - 2019	Commissioner of Income Tax (Appeals)
Municipal Corporation Act, 1888	Tax and Interest	63.07	April 2001 to September 2012	Supreme Court
Finance Act, 1994	Service Tax and Penalty	2058.82*	July 2012 to September 2014	Customs Excise and Service tax Appellate Tribunal

*Net of duty paid under protest

- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to bank. Further, the Company has not taken any loans or borrowings from any financial institution, or government nor has it issued any debentures during the year.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or



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reported during the year, nor have we been informed of any such instance by the management.

- (xi) 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 Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN: 21118970AAAACX4708

Place: Mumbai

Date: April 16, 2021



HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Axis Capital Limited on the standalone Ind AS financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Axis Capital Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS 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 with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Haribhakti & Co. LLP, Chartered Accountants Regn. No. AAC- 3768, a limited liability partnership registered in India (converted on 17th June, 2014 from a firm Haribhakti & Co. FRN: 103523W)
Registered office: 100 Ft. Road, Corporate Road, Prahlad Nagar, Ahmedabad - 380 015 T: +91 79 4032 0441/4032 0442
Other offices: 701, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059, India
Other offices: Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Mumbai, New Delhi, Pune.

HARIBHAKTI & CO. LLP

Chartered Accountants

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Purushottam Nyati

Partner

Membership No.118970

UDIN: 21118970AAAACX4708

Place: Mumbai

Date: April 16, 2021



AXIS CAPITAL LIMITED

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

(₹ in lakhs)

	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	3	9,221.51	5,740.15
Bank Balance other than cash & cash equivalents	4	32,452.12	19,419.02
Trade receivables	5	85,979.30	88,921.37
Loans	6	3.53	-
Investments	7	12,588.24	12,016.68
Other financial assets	8	402.89	10,194.50
Total financial assets (A)		1,40,647.59	1,36,291.72
NON-FINANCIAL ASSETS			
Inventories	9	-	-
Current tax assets (net)	10	672.57	801.44
Deferred tax assets (net)	33	46.01	24.40
Property, plant and equipment	11	118.04	184.76
Intangible assets under development	12	1.96	15.96
Other intangible assets	13	103.12	97.06
Other non-financial assets	14	191.12	144.66
Total non-financial assets (B)		1,132.82	1,268.28
Total Assets (A+B)		1,41,780.41	1,37,560.00
LIABILITIES AND EQUITY			
LIABILITIES			
FINANCIAL LIABILITIES			
Payables			
Trade payables	15		
Due to micro and small enterprises		14.20	17.01
Due to creditors other than micro and small enterprises		79,496.55	92,809.35
Other payables	16		
Due to micro and small enterprises		-	-
Due to creditors other than micro and small enterprises		13.79	2.16
Borrowings	17	38.40	96.35
Other financial liabilities	18	75.92	9.81
Total financial liabilities (A)		79,638.86	92,934.68
NON-FINANCIAL LIABILITIES			
Current tax liabilities (net)	19	654.00	622.30
Provisions	20	6,606.23	3,200.93
Other non-financial liabilities	21	2,960.72	1,005.51
Total non-financial liabilities (B)		10,220.95	4,828.74
EQUITY			
Equity share capital	22	7,350.00	7,350.00
Other equity	23	44,570.60	32,446.58
Total Equity (C)		51,920.60	39,796.58
Total liabilities and equity (A+B+C)		1,41,780.41	1,37,560.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati

Partner

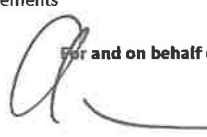
Membership No. :- 118970

Place: Mumbai

Date: 16 April 2021



For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


Chirag Negandhi
Jt. MD and Co-CEO
DIN No. :- 06988113


Neelesh Baheti
Chief Financial Officer

Place: Mumbai


M. Natarajan
Company Secretary

Date: 16 April 2021



AXIS CAPITAL LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operation			
(a) Fees from advisory services and other professional services	24	24,088.94	12,981.95
(b) Brokerage Income	24	13,969.31	11,077.10
(c) Other Operating Income	24	2.97	9.65
Total Revenue from Operations (A)		38,061.22	24,068.70
Other income (B)	25	2,616.16	2,974.62
Total Income (A+B) (1)		40,677.38	27,043.32
Finance costs	26	127.59	96.58
Impairment of financial instruments	27	(37.91)	64.36
Employee benefit expense	28	15,338.74	11,614.79
Depreciation and amortization	29	145.62	122.26
Other expenses	30	5,636.07	5,058.29
Total Expenses (2)		21,210.11	16,956.28
Profit before tax (3) = (1-2)		19,467.27	10,087.04
Tax expenses:			
Current tax		5,687.19	3,487.07
Short / (Excess) provision for tax of earlier years		(18.96)	(77.13)
Deferred Tax		(21.61)	21.66
Total tax expense (4)	32	5,646.62	3,431.60
Profit for the year (5) = (3-4)		13,820.65	6,655.44
Other comprehensive income			
Items not to be reclassified in profit and loss			
Remeasurement gain/(loss) on defined benefit plan (net of tax)		(7.01)	36.14
Other comprehensive income (6)		(7.01)	36.14
Total comprehensive income for the year (7) = (5+6)		13,813.64	6,691.58
Earning per equity share:			
[Nominal value per share ₹10 (31 March 2020: ₹10)]			
Basic (₹)	34	18.80	9.06
Diluted (₹)	34	18.80	9.06
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per report of even date

For Haribhakti & Co. LLP

Chartered Accountants


ICAI Firm Registration No. 103523W / W100048


Parushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 16 April 2021




For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120


Neelesh Baheti
Chief Financial Officer
Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary
Date: 16 April 2021


Chirag Negandhi
Jt. MD and Co-CEO
DIN No. :- 06988113



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A) Cash flows from operating activities		
Profit before taxes	19,467.27	10,087.04
Non cash & non operating adjustments:		
Net gain on fair value instruments at fair value through profit or loss	(349.38)	(531.54)
Interest Income on deposit with banks	(2,126.07)	(2,092.60)
Interest income on staff loan and deposits	(1.20)	(1.08)
Interest on overdraft	37.33	47.29
Interest on lease payment	5.45	10.37
Interest on income tax expenses	84.81	38.93
Reversal of liability no longer required	(134.87)	(329.71)
Depreciation and amortisation	145.62	122.26
Unrealised foreign exchange (gain)/loss	0.19	(7.28)
Provision for bad and doubtful debts	162.40	101.45
Bad debts and sundry balances written off	25.00	0.05
Reversal of provision of doubtful debts	(225.31)	(37.14)
Fair valuation of share based payments to employees	2,720.38	3,402.79
Loss on fair value of deposits	1.48	-
Operating profit before working capital changes	19,813.10	10,810.83
Movement in working capital:		
Decrease / (increase) in trade receivables	2,989.72	(52,902.73)
Decrease / (increase) in loans	(3.45)	4.00
Decrease / (increase) in other financial assets	9,791.24	(9,704.55)
Decrease / (increase) in other non-financial assets	(46.46)	8.70
Increase / (decrease) in trade payables	(13,183.28)	60,456.43
Increase / (decrease) in other financial liabilities	66.11	(5.63)
Increase / (decrease) in provisions	3,398.29	(828.43)
Increase / (decrease) in other non-financial liabilities	1,955.21	120.52
Cash generated from operations	24,780.48	7,959.14
Direct taxes paid (net of refund)	(5,602.41)	(2,643.49)
Net cash flows from operating activities	19,178.07	5,315.65
B) Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and intangible assets under development	(59.33)	(139.93)
Purchase of investments	(1,26,393.24)	(1,41,728.62)
Sale of investments	1,26,171.05	1,42,569.36
Investment in bank fixed deposit	(73,690.99)	(41,021.20)
Redemption of bank fixed deposit	62,133.40	45,616.20
Interest received on bank fixed deposit	650.58	1,948.18
Net cash flows from/(used in) investing activities	(11,188.53)	7,243.99
C) Cash flows from financing activities		
Equity dividend paid	(4,410.00)	(4,226.25)
Tax on equity dividend paid	-	(868.72)
Interest on lease payment	(5.45)	(10.37)
Payment of lease liability	(55.39)	(47.58)
Interest on overdraft paid	(37.33)	(47.29)
Proceeds from / (repayment of) short term borrowings	-	(1,954.43)
Net cash flows used in financing activities	(4,508.17)	(7,154.64)
Net increase in cash and cash equivalents (A+B+C)	3,481.37	5,405.00
Cash and cash equivalents at the beginning of the year	5,740.14	335.15
Cash and cash equivalents at the end of the year	9,221.51	5,740.15
Components of cash and cash equivalents		
Cash in hand	0.65	0.70
Balances with banks:		
-In current accounts	9,220.86	5,739.45
Total	9,221.51	5,740.15

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 - Cash Flow Statement.

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

As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purnesham Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 16 April 2021




For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120


Neelesh Baheti
Chief Financial Officer

Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary

Date: 16 April 2021


Chirag Naganishi
Jt. MD and Co-CEO
DIN No. :- 06988113



AXIS CAPITAL LIMITED

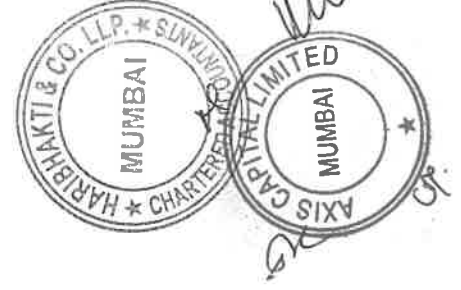
Standalone Statement of Changes In Equity

A. Equity share capital

Particulars	(₹ in lakhs)	
	Balance at the beginning of the year	Balance at the end of the year
Equity shares of ₹10 each fully paid up		
As on 31 March 2020	7,350.00	7,350.00
As on 31 March 2021	7,350.00	7,350.00

B. Other equity

Particulars	Reserves & Surplus		Contribution from Shareholders	Total
	General Reserve	Retained earnings		
Opening balance as on 31 March 2019	1,292.37	26,154.81	-	27,447.18
Profit for the current year	-	6,655.44	-	6,655.44
Other Comprehensive Income / (loss) for the year (net of tax)	-	36.14	-	36.14
Dividend paid	-	(4,226.25)	-	(4,226.25)
Dividend Distribution Tax	-	(868.72)	-	(868.72)
Share based payments to employees - capital contribution	-	-	3,402.79	3,402.79
Changes during the year	-	1,596.61	3,402.79	4,999.40
Closing balance as on 31 March 2020	1,292.37	27,751.42	3,402.79	32,446.58
Opening balance as on 01 April 2020	1,292.37	27,751.42	3,402.79	32,446.58
Profit for the current year	-	13,820.65	-	13,820.65
Other Comprehensive Income / (loss) for the year (net of tax)	-	(7.01)	-	(7.01)
Dividend paid	-	(4,410.00)	-	(4,410.00)
Share based payments to employees - capital contribution	-	-	2,720.38	2,720.38
Changes during the year	-	9,403.64	2,720.38	12,124.02
Closing balance as on 31 March 2021	1,292.37	37,155.06	6,123.17	44,570.60



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

1. Corporate Information

Axis Capital Limited ('the Company') was incorporated on December 06, 2005. It is a public company domiciled in India. The Company is a wholly owned subsidiary of Axis Bank Limited ('the Bank').

The Company was engaged in the business of marketing of retail assets products of third party and providing resource management and online retail broking initially. Certain financial services businesses undertaken by Enam Securities Private Limited ('ESPL') was acquired by the Bank the way of demerger and immediately upon completion of the demerger, a simultaneously sale of the financial services businesses was undertaken from the Bank to the Company for a cash consideration from with effect from 01 April 2010.

The Company demerged its business of resources management and marketing of third party financial products and retail broking under the going concern basis to Axis Securities Limited ('ASL') with effect from 20 October 2012.

The Company is in the business of institutional broking, investment banking and distribution of financial products.

2. Basis of preparation

A. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

B. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of Measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- i. Certain Financial instruments – measured at fair value
- ii. Defined benefit plans-plan assets measured at fair value

D. Use of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The followings are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements and / or key source of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.:



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

a. Revenue

Recognition of revenue over time or at a point in time: The Company recognises revenue from Issue management and financial advisory services at a point in time based on milestones as per the agreement with the client except underwriting commission for which performance obligation is satisfied over a period of time

b. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support.

c. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 39.

d. Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

e. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

f. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values (Refer Note 49) about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

g. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Company does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECL approach at each reporting date.

h. Recoverable amount for Impairment of non-financial assets

Company reviews at each balance sheet date the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

E. Standards issued but not effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such new standard issued which would have been applicable from April 01, 2021.

F. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a. Property, Plant and Equipment

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipment are stated at cost net of tax/duty credits available, if any, less accumulated depreciation and



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for management's intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

b. Depreciation on plant, property and equipment

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for vehicles and office equipments.

The estimated useful lives are as follows:

	Useful lives estimated by the management (years)	Useful Life as per prescribed in Schedule II of the Act (years)
Computers	3	3
Furniture and fixtures	10	10
Office equipment	2 – 10	5
Vehicles	4	10

The management has estimated, the useful lives of the following classes of assets.

- The useful lives of certain office equipment are estimated as 2 to 10 years.
- Furniture and fixtures and vehicles are depreciated over the estimated useful lives of 10 years and 4 years respectively.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and any changes in estimate accounted for on a prospective basis.

c. Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the statement of profit and loss.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale..

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. The Company's intangible assets consist of computer software with definite life.

Gains or losses arising from derecognition of an intangible asset 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.

A summary of amortisation policies applied to the Company's intangible assets is as below:

	Rates (SLM)
Computer software	20%

d. Impairment of property, plant and equipment and intangible assets

The Company reviews at each balance sheet date the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such impairment indication exists, the Company estimates the recoverable amount (i.e. the higher of the assets' net selling price and value in use) of the asset of cash generating unit to which the asset belongs to . If such recoverable amount of asset or recoverable amount of cash generating unit to which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

e. Revenue recognition

Revenue (other than for those items to which Ind AS 109 'Financial Instruments' are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Brokerage –

- i. Brokerage income in relation to stock broking activity is recognized as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis.
- ii. Gains/losses on dealing in securities are recognized on a trade date basis.

Investment Banking –

- i. Revenue from issue management and financial advisory services is recognized based on the stage of completion of performance obligations and terms of agreement with the client.
- ii. Revenue from underwriting commission is recognised over a period of satisfaction of performance obligation.
- iii. 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.

Interest and dividend –

- i. Interest income on financial assets carried at amortized cost is recognized on an accrual basis using effective interest (EIR) method. Interest revenue is by applying effective interest rate on the gross carrying amount of financial assets in Stage 1 and Stage 2. Interest revenue on financial assets in Stage 3 is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.
- ii. Dividend income is recognized when the Company's right to receive dividend has been established.

f. Inventories

Securities acquired with the intention of short-term holding and trading are classified as inventories. The securities held as inventories are valued at lower of cost arrived at on first in first out (FIFO) basis or marketable fair value. Any loss on valuation is routed through statement of profit and loss.

g. Investments in subsidiaries

The investments in subsidiaries are carried in these financial statements at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

h. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then Company's incremental borrowing rate is used. Generally, the company uses its incremental borrowing rate as the discount rate.

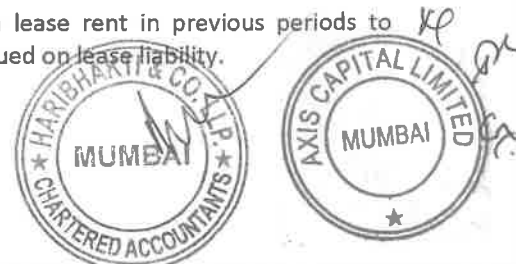
Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of real estate properties that are having non-cancellable lease term of less than 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i. Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, investments and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Recognition of Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

1. Financial Assets

Subsequent Measurement of Financial Assets

For subsequent recognition, financial assets are subsequently measured at measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i. Amortised Cost:

The Company classifies the financial assets at amortised cost if the contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows.

The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category. These are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

ii. Fair value through Other Comprehensive Income (FVOCI):



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

The Company classifies the financial assets at FVOCI if the contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Changes in fair value are recognised in other comprehensive income with a separate component of equity. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss as a reclassification adjustment.

In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition. Dividends on such investments are recognised in profit or loss.

iii. Fair Value through Profit and Loss Account (FVTPL)

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at measurement date.

Level 2: inputs are inputs, other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs are inputs for the current assets or liability that are not based on observable market data (unobservable inputs).



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;
 - a. the Company has transferred substantially all the risks and rewards of the asset, or
 - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Based on the Company's business model for managing the investments, the Company has classified its investments in mutual funds as FVTPL. Investment in subsidiaries is carried at deemed cost (previous GAAP carrying amount) as per Ind AS 27.

2. Financial Liabilities and Equity Instruments

Subsequent measurement of Financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

This is dependent upon the classification thereof as under:

- (i) At Amortised Cost
- (ii) At Fair value through Profit & loss Account

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

Derecognition

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offsetted and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

j. Impairment of Financial Asset:

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss allowance on the following financial assets and credit risk exposures:

- Financial assets at amortized cost
- Financial guarantee contracts.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables.

For recognition of impairment loss allowance on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL approach is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

Defined benefit plans

The liabilities under the Payment of Gratuity Act, 1972 are recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Long Term Employee Benefits

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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

i. Share based payment arrangements

Employees Stock Options Plans ("ESOPs") - Equity settled

The Trust in consultation with the holding Company grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

m. Income taxes

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in Equity respectively.

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 taxes reflect the impact of temporary 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 tax liabilities are recognized for all taxable temporary timing differences. Deferred tax assets are recognized for deductible temporary 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.

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 probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

n. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs to the extent related/attributionable to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective Property, Plant and Equipment up to the date such asset is ready for use. Other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

o. Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

(iii) Exchange differences

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the Statement of Profit and Loss in the period in which they arise.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before other comprehensive income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Joint Managing Directors and CEO of the Company assesses the financial performance and position of the Company and make strategic decisions and hence has been identified as being chief operating decision maker.

r. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) 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.

s. Contingent liabilities and Assets

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. Where 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.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

t. 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 deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended March 31, 2021

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

u. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

v. Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

3. Cash and bank balances

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Cash and cash equivalents		
-Cash on hand	0.65	0.70
Balances with banks:		
-In current accounts	9,220.86	5,739.45
Total	9,221.51	5,740.15

4. Bank Balance other than cash & cash equivalents

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Fixed deposits with original maturity of more than 12 months		
Lien marked deposits (The period of lien is in line with the period of fixed deposit)*	32,452.12	18,067.96
Other Deposits	-	1,351.06
Total	32,452.12	19,419.02

*Lien marked to stock exchanges for margin/security deposit purpose and banks for overdraft facilities

5. Trade receivables

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Unsecured, considered good		
Due from related parties	1,547.00	-
Due from others	84,225.40	88,909.20
Sub total	85,772.40	88,909.20
Unsecured, considered doubtful		
Due from others	314.02	182.20
Sub total	314.02	182.20
Less: Impairment loss allowance on doubtful trade receivables	(107.12)	(170.03)
Total	85,979.30	88,921.37

6. Loans

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Loans at Amortised Cost		
(A) Staff Loans	3.53	-
Sub total	3.53	-
Less: Impairment Loss	-	-
Total (A)	3.53	-
(B) Unsecured	3.53	-
Sub total	3.53	-
Less: Impairment Loss	-	-
Total (B)	3.53	-
(C)		
(i) Loans in India		
Others	3.53	-
Sub total	3.53	-
Less: Impairment Loss	-	-
Total (C)(i)	3.53	-
(ii) Loans outside India		
Others	-	-
Sub total	-	-
Less: Impairment Loss	-	-
Total (C)(ii)	-	-
Total (C)(i)+(ii)	3.53	-



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

Particulars	31 March 2021						Total
	Amortised cost	At fair value		Sub total	At cost	(7=1+5+6)	
		Through other comprehensive income	Through profit and loss				
(1)	(2)	(3)	(4)	(5=2+3+4)	(6)		
(i) Mutual Funds							
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	-	-	-	-	-
HDFC Liquid Fund - Direct - Growth*	-	-	-	-	-	-	-
(ii) Subsidiary Equity Instruments					495.88	495.88	
(iii) Other							
Equity Instruments in unlisted companies	-	12,092.36	-	-	12,092.36	-	12,092.36
Total Gross (A)	-	12,092.36	-	-	12,092.36	495.88	12,588.24
(i) Investment outside India	-	-	-	-	-	495.88	495.88
(ii) Investment in India	-	12,092.36	-	-	12,092.36	-	12,092.36
Total (B)	-	12,092.36	-	-	12,092.36	495.88	12,588.24
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	12,092.36	-	-	12,092.36	495.88	12,588.24

Particulars	31 March 2020						Total
	Amortised cost	At fair value		Sub total	At cost	(7=1+5+6)	
		Through other comprehensive income	Through profit and loss				
(1)	(2)	(3)	(4)	(5=2+3+4)	(6)		
(i) Mutual Funds							
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	2,562.58	-	2,562.58	-	2,562.58
HDFC Liquid Fund - Direct - Growth*	-	-	8,958.22	-	8,958.22	-	8,958.22
(ii) Subsidiary Equity Instruments					495.88	495.88	
Total Gross (A)	-	-	11,520.80	-	11,520.80	495.88	12,016.68
(i) Investment outside India	-	-	-	-	-	495.88	495.88
(ii) Investment in India	-	-	11,520.80	-	11,520.80	-	11,520.80
Total (B)	-	-	11,520.80	-	11,520.80	495.88	12,016.68
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	-	11,520.80	-	11,520.80	495.88	12,016.68

*pledged to Stock Exchange and Bankers amounting to ₹ Nil | 31 March, 2020: ₹ 11,520.80 lakhs)



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

8. Other financial assets

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Security/margin deposit		
-with stock exchanges	173.25	9,973.25
-others	30.83	21.55
Advance recoverable in cash		
-Recoverable from others	198.74	192.54
Income receivable	0.07	7.16
Sub total	402.89	10,194.50
Less: Impairment loss allowance on doubtful Trade Receivables	-	-
Total	402.89	10,194.50

9. Inventories

	As at 31 March 2021		As at 31 March 2020	
	(No of Shares)	(₹ in lakhs)	(No of Shares)	(₹ in lakhs)
Opening	-	-	-	-
Purchase	34,95,112	10,499.25	39,30,369	13,345.70
Sale (at cost)*	34,95,112	10,499.25	39,30,369	13,345.70
Closing	-	-	-	-
Total				

* Loss (net) of ₹9.33 lakhs has been disclosed under Note 30 "Other expenses" [31 March 2020: Profit (net) of ₹6.67 lakhs on sale of these shares has been disclosed under Note 24 "Revenue from operations"]

10. Current tax assets (net)

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Advance income-tax [Net of provision of ₹16,283.04 lakh (31 March 2020: ₹10,292.00 lakh)]	672.57	801.44
Total	672.57	801.44



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

11. Property, plant and equipment

(₹ in lakhs)

Particulars	Computers	Furniture	Vehicles	Office Equipment	Right to use	Total
Gross carrying amount at cost						
As at 1 April, 2019	121.23	1.18	-	12.82	158.45	293.68
Additions during the year	54.02	-	-	4.74	-	58.76
Disposals during the year	-	-	-	-	-	-
As at on 31 March, 2020	175.25	1.18	-	17.56	158.45	352.44
Accumulated depreciation and impairment as at 1 April, 2019						
As at 1 April, 2019	48.58	0.23	-	2.97	14.52	66.30
Depreciation for the year	50.67	0.23	-	2.90	47.58	101.38
Disposals during the year	-	-	-	-	-	-
As at 31 March, 2020	99.25	0.46	-	5.87	62.10	167.68
As at 1 April, 2020	175.25	1.18	-	17.56	158.45	352.44
Additions during the year	45.74	-	-	3.07	-	48.81
Disposals during the year	-	-	-	-	-	-
As at 31 March, 2021	220.99	1.18	-	20.63	158.45	401.25
Accumulated depreciation and impairment as at 1 April, 2020						
As at 1 April, 2020	99.25	0.46	-	5.87	62.10	167.68
Depreciation for the year	50.67	0.21	-	3.51	61.14	115.53
Disposals during the year	-	-	-	-	-	-
As at 31 March, 2021	149.92	0.67	-	9.38	123.24	283.21
Net carrying amount as at 31 March, 2021	71.07	0.51	-	11.25	35.21	118.04
Net carrying amount as at 31 March, 2020	76.00	0.72	-	11.69	96.35	184.76



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

12. Intangible assets under development

(₹ in lakhs)

Particulars	Intangible assets under development
Gross carrying amount at cost	
As at 1 April, 2019	26.73
Additions during the year	31.71
Capitalised during the year	42.48
As at 31 March, 2020	15.96
As at 1 April, 2020	15.96
Additions during the year	16.12
Capitalised during the year	30.12
As at 31 March, 2021	1.96

13. Other Intangibles

(₹ in lakhs)

Particulars	Software	Website development cost	Total
Gross carrying amount at cost			
As at 1 April, 2019	28.50	5.81	34.31
Additions during the year	93.03	-	93.03
Disposals during the year	-	-	-
As at 31 March, 2020	121.53	5.81	127.34
Accumulated depreciation and impairment as at 1 April, 2019	8.30	1.10	9.40
Amortisation for the year	19.72	1.16	20.88
Disposals during the year	-	-	-
Accumulated depreciation and impairment as at 31 March, 2020	28.02	2.26	30.28
As at 31 March, 2020	121.53	5.81	127.34
Additions during the year	36.15	-	36.15
Disposals during the year	-	-	-
As at 31 March, 2021	157.68	5.81	163.49
Accumulated depreciation and impairment as at 1 April, 2020	28.02	2.26	30.28
Additions during the year	28.93	1.16	30.09
Disposals during the year	-	-	-
Accumulated depreciation and impairment as at 31 March, 2021	56.95	3.42	60.37
Net carrying amount as at 31 March, 2021	100.73	2.39	103.12
Net carrying amount as at 31 March, 2020	93.51	3.55	97.06



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

14. Other non-financial assets

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Deposit with service tax authorities paid under protest	76.25	76.25
Prepaid expenses	79.24	48.81
Advance towards expenses	35.63	19.60
Total	191.12	144.66

15. Trade Payables

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Trade payables		
-Due to micro and small enterprises		
-Due to related parties	-	-
-Due to other	14.20	17.01
Sub-total	14.20	17.01
-Due to creditors other than micro and small enterprises		
-Due to related parties	37.10	46.19
-Due to others	79,459.45	92,763.16
Sub-total	79,496.55	92,809.35
Total	79,510.75	92,826.36

16. Other Payables

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Creditors for capital expenditure		
-Due to micro and small enterprises	-	-
-Due to creditors other than micro and small enterprises	13.79	2.16
Total	13.79	2.16

17. Borrowings

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Lease Liability	38.40	96.35
Total	38.40	96.35

Fixed deposits has been lien marked against Overdraft facilities. However there is no amount overdrawn as on 31 March 2021 and 31 March 2020.

18. Others financial liabilities

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Payable to Employees	75.92	9.81
Total	75.92	9.81

19. Current tax liabilities (net)

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Provision for tax [net of advance tax of ₹14,963.46 lakhs (31 March 2020: ₹15,233.23 lakhs)]	654.00	622.30
Total	654.00	622.30



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

20. Provisions

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Provision for employee benefits		
Gratuity payable (funded) (Refer to Note No 39)	80.65	8.06
Provision for compensated absences	30.82	20.14
Provision for bonus	6,455.70	3,133.67
Sub-total	6,567.17	3,161.87
Other provisions		
Provision for litigation	39.06	39.06
Sub-total	39.06	39.06
Total	6,606.23	3,200.93

21. Others non-financial liabilities

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Others		
-Statutory dues	2,940.72	1,005.20
-Advance from customers	-	0.31
Income received in advance	20.00	-
Total	2,960.72	1,005.51

22. Share capital

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Authorised share capital		
175,000,000 (31 March 2020: 175,000,000) equity shares of ₹10/- each)	17,500.00	17,500.00
Issued share capital		
73,500,000 (31 March 2020: 73,500,000) equity shares of ₹10/- each)	7,350.00	7,350.00
Subscribed and fully paid-up shares		
73,500,000 (31 March 2020: 73,500,000) equity shares of ₹10/- each)	7,350.00	7,350.00

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

Equity shares

	31 March 2021		31 March 2020	
	No.	(₹ in lakhs)	No.	(₹ in lakhs)
At the beginning of the year	7,35,00,000	7,350.00	7,35,00,000	7,350.00
Issued during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Outstanding at the end of the year	7,35,00,000	7,350.00	7,35,00,000	7,350.00



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

(b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2021, the amount of per share dividend recognized as distributions to equity shareholders was ₹6 [31 March 2020: ₹5.75/- (including interim dividend of ₹1.25)].

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of the number of 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:

Name of shareholder	31 March 2021		31 March 2020	
	No.	% of holding	No.	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2019: 73,500,000) equity shares of ₹10/- each)	73,50,00,000	100%	73,50,00,000	100%

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

Name of shareholder	31 March 2021		31 March 2020	
	No.	% of holding	No.	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2019: 73,500,000) equity shares of ₹10/- each)	7,35,00,000	100%	7,35,00,000	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.

(e) Proposed dividends on Equity shares

The Board proposed dividend on equity shares after the balance sheet date.

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
Proposed dividend on equity shares for the year ended on 31 March 2021: ₹2.70 per share (31 March 2020: ₹6/- per share)	1,984.50	4,410.00
Total	1,984.50	4,410.00

23. Other equity

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
General Reserve		
Balance at the beginning of the year	1,292.37	1,292.37
Add: Addition during the year	-	-
Balance as at end of the year	1,292.37	1,292.37
Retained earnings		
Balance at the beginning of the year	27,751.42	26,154.81
Add: Profit for the current year	13,820.65	6,655.44
Add: Other Comprehensive Income / (loss) for the year (net of tax)	(7.01)	36.14
Less: Dividend paid	(4,410.00)	(4,226.25)
Less: Dividend Distribution Tax	-	(868.72)
Balance as at end of the year	37,155.06	27,751.42
Contribution from Shareholders		
Balance at the beginning of the year	3,402.79	-
Add: Addition during the year	2,720.38	3,402.79
Balance as at end of the year	6,123.17	3,402.79
Total	44,570.60	32,446.58



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

Nature and purpose of the reserve

General Reserve

General Reserve was created earlier for specific purpose and are available for distribution to shareholders as dividend.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders as dividend.

Other Comprehensive Income

Other Comprehensive Income consists of income that will not be reclassified to Profit and Loss.

Contribution from Shareholders

Contribution from Shareholders represents fair value of the employee stock option plan. These options are issued by ABL Employee Welfare Trust ("the Trust") in consultation with Axis Bank Limited ("the Holding Company")

24. Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ In lakhs)
Fees from advisory services and other professional services	24,088.94	12,981.95
Brokerage income	13,969.31	11,077.10
Other operating income		
-Profit on sale of devolved securities/dealing error	-	6.67
-Interest Income on margin money funding	2.97	2.98
Total	38,061.22	24,068.70

25. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ in lakhs)
(i) Interest Income		
Interest on deposit with banks	2,126.08	2,092.60
Interest on staff loan and deposits	1.20	1.08
	<u>2,127.28</u>	<u>2,093.68</u>
(ii) Net gain/(loss) on fair value instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	349.38	531.54
Total gain/(loss) on fair value changes	<u>349.38</u>	<u>531.54</u>
Fair value changes:		
Realised	349.38	410.74
Unrealised	-	120.80
Total gain/(loss) on fair value changes	<u>349.38</u>	<u>531.54</u>
(iii) Miscellaneous income		
Reversal of provision/liability no longer required	134.87	329.71
Miscellaneous Income	4.63	11.98
Foreign exchange gain / (loss)	-	7.71
	<u>139.50</u>	<u>349.40</u>
Total	<u>2,616.16</u>	<u>2,974.62</u>

26. Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ in lakhs)
On financial liabilities measured at amortised cost		
Interest on lease payment	5.45	10.37
Other interest expenses		
Interest on overdraft	37.33	47.29
Interest on income tax expenses	84.81	38.92
Total	<u>127.59</u>	<u>96.58</u>



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

27. Impairment of financial instruments

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ in lakhs)
On financial instrument measured at amortised cost		
Trade Receivables		
- Provision for bad and doubtful debts	162.40	101.45
- Bad debts written off	25.00	0.05
- Reversal of provision of doubtful debts	(225.31)	(37.14)
Total	(37.91)	64.36

28. Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ in lakhs)
Salaries, wages and bonus	12,233.84	7,855.90
Contribution to provident and other funds	184.29	131.33
Share based payments to employees (Refer to Note No 45)	2,720.38	3,402.79
Gratuity expense (Refer to Note No 39)	73.64	54.32
Staff welfare expenses	126.59	170.45
Total	15,338.74	11,614.79



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

29. Depreciation and amortization expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ in lakhs)
Depreciation of property, plant and equipment	115.53	101.38
Amortization of intangible assets	30.09	20.88
Total	145.62	122.26

30. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
	(₹ in lakhs)	(₹ in lakhs)
Stamp duty	196.07	277.08
Trade confirmation charges	549.77	504.58
Brokerage expenses	1,519.48	618.49
Stock exchange expenses	577.77	484.68
Printing and stationary*	16.23	22.38
Electricity & water charges	25.28	74.83
Rent	557.83	669.03
Repairs & maintenance - others	63.90	141.50
CSR expenditure (Refer to Note No 31)	274.37	321.55
Insurance	8.33	7.32
Rates and taxes	20.90	38.80
Professional fees*	791.61	673.83
Office expenses*	202.19	145.15
Deputation expenses	191.83	209.47
Telephone, fax & internet	83.49	57.73
Foreign exchange loss	0.48	-
Loss on sale of devolved securities/dealing error	9.33	-
Travelling & conveyance expenses	4.86	242.49
Director's sitting fees	24.50	17.50
Auditors' fees and expenses (Refer Note 30.1 below)	23.35	23.55
Loss on fair value of staff loans and deposits	1.48	-
Subscription expenses	125.49	121.32
Miscellaneous expenses	367.53	407.01
Total	5,636.07	5,058.29

*includes direct expenses pertaining to advisory services and other professional services amounting to ₹95.63 lakhs (Previous Year: ₹13.92 lakhs)

30.1 Auditors' fees and expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
Auditors remuneration:		
- For audit	14.00	14.00
- For other services	8.10	9.30
- For reimbursement of expenses	1.25	0.25
	23.35	23.55



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

31 Details of CSR expenditure:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
a) Gross amount required to be spent by the Company during the year	274.37	321.55
b) Amount spent during the year	274.37	321.55
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	274.37	321.55

32 Income Tax Expense:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Current tax		
Current tax on profits for the year	5,687.19	3,487.07
Adjustments for current tax of prior years	(18.96)	(77.13)
Total Current Tax	5,668.23	3,409.94
Deferred tax expense (income)		
Increase in deferred tax assets (Refer Note 33)	(21.61)	21.66
Total deferred tax expense/(income)	(21.61)	21.66
Total tax expense	5,646.62	3,431.60

32.1 Reconciliation of effective tax rate:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2020 is as follows:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Profit before tax expenses	19,467.27	10,087.04
Enacted income tax rate in India applicable to the Company 25.168%	4,899.52	2,538.71
Tax effect of:		
Remeasurement of deferred tax due to change in rate	-	12.89
Capital gain on sale of shares measured at special rates	(8.72)	(4.12)
Remeasurement of gratuity through OCI	(1.76)	9.10
Other Non-deductible expenses:		
Share Based Payments to employees	684.67	856.41
Interest on income tax expenses	21.34	9.80
CSR expenditure	69.05	80.93
Others	1.48	5.01
Tax in respect of earlier years	(18.96)	(77.13)
Total tax expense	5,646.62	3,431.60
Effective tax rate	29.01%	34.02%

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

33 Deferred Tax Asset (Net)

Component and Movement in Deferred Tax Assets (Net):

(₹ in lakhs)

Deferred tax (asset) / liability	As at 31 March, 2020	Recognised in Profit and Loss Expense/ (Gain)	As at 31 March, 2021
Provision for Impairment Loss	42.79	15.83	26.96
Difference in WDV as per Books of Account and Income Tax	6.68	1.78	4.90
Fair value adjustment of Financial Instruments	(30.40)	(30.40)	(0.00)
Impact on Revenue recognised under Ind AS 115	(0.00)	(5.03)	5.03
Valuation on interest free loans and deposits	0.26	(0.30)	0.56
Disallowance under section 43B of the Income Tax Act, 1961	5.07	(2.69)	7.76
Difference in lease asset amortisation and rent expenses	-	(0.80)	0.80
Total	24.40	(21.61)	46.01

(₹ in lakhs)

Deferred tax (asset) / liability	As at 31 March, 2019	Recognised in Profit and Loss Expense/ (Gain)	As at 31 March, 2020
Provision for Impairment Loss	37.00	(5.79)	42.79
Difference in WDV as per Books of Account and Income Tax	12.83	6.15	6.68
Fair value adjustment of Financial Instruments	(3.34)	27.06	(30.40)
Impact on Revenue recognised under Ind AS 115	(4.16)	(4.16)	(0.00)
Valuation on interest free loans and deposits	1.05	0.79	0.26
Disallowance under section 43B of the Income Tax Act, 1961	2.68	(2.39)	5.07
Total	46.06	21.66	24.40

Amounts recognised in respect of current tax / deferred tax directly in equity:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	-	-



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

34 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	(₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit attributable to the equity holders of the Company (A) (₹ in lakhs)	13,820.65	6,655.44
Weighted Average number of shares issued for calculating Basic EPS (B)	735	735
Adjustment for calculation of Diluted EPS (c)	-	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	735	735
Basic EPS in ₹	18.80	9.06
Diluted EPS in ₹	18.80	9.06

35 Contingent liabilities & commitments

Particulars	(₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Contingent Liabilities		
(A) Claims against the Company not acknowledged as debts*	25.00	25.00
(B) Tax Demands under litigations #		
For Service Tax	2,135.07	2,135.07
For Income Tax	3.13	3.13
For Property Tax	63.07	63.07
(C) Outstanding bank guarantee	-	-
Total Contingent Liabilities	2,226.27	2,226.27
Commitments		
(A) Capital commitments	17.58	29.94
Total Commitments	17.58	29.94

*The Company is facing certain litigations with respect to alleged non disclosures in respect of investment banking jobs handled by the Company. The Management believes that its position will likely be upheld and the outcome of these proceeding will not have a material adverse effect on the Company's financial position and result of operations.

#The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax 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.

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

36 A. Expenditure in foreign currency (accrual basis) (₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Deputation expenses	191.83	209.47
Professional Fees	220.24	148.97
Travelling and conveyance	1.84	59.96
Trade Confirmation charges	111.17	168.33
Others	91.56	61.67

B. Earnings in foreign currency for the year ended 31 March, 2021: Rs. 1,064.23 lakhs (31 March, 2020: Rs. 484.16 lakhs) from advisory services and other professional services.

37 Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

38 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

As at 31 March, 2021

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	6.18	451.80
	GBP	0.06	5.89
Trade Payables	USD	0.20	14.42
	USD	0.02	1.45
Advances	GBP	0.004	0.37
	USD	0.19	14.08
Bank Balances	USD		

As at 31 March, 2020

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	1.33	100.60
Bank Balances	USD	0.04	2.94



Notes to standalone financial statements for the year ended 31 March, 2021

39 Employee Benefits

A Short term employee benefit obligations

The compensated absences charge for the year ended 31 March, 2021 based on actuarial valuation amounting to ₹10.68 lakhs (31 March, 2020 ₹12.52 lakhs) has been charged in the Statement of Profit and Loss.

B Post Employment Obligations

i. Defined contribution plans

Employer's Contribution to Provident Fund

The Company has recognized the following amount in the Statement of Profit and Loss under the head Contribution to provident and other funds in Employee Benefit Expense for the year:

The expense recognised during the year towards defined contribution plan -

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Employer's Contribution to Provident Fund	184.29	131.33

ii. Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded with an insurance Company in the form of a qualifying insurance policy.

Change in the Present Value of Projected Benefit Obligations

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Present Value of Benefit Obligation at the beginning of the year	977.06	971.27
Interest Cost	64.39	72.65
Current Service Cost	73.11	55.02
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.43	0.24
(Benefit Paid From the Fund)	(130.72)	(86.23)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	5.30	44.83
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.41	(80.72)
Present Value of Benefit Obligation at the End of the year	992.98	977.06

Change in the Fair Value of Plan Assets

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Fair Value of Plan Assets at the beginning of the year	969.00	980.62
Interest Income	63.86	73.35
Contributions by the Employer	8.06	0.77
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	0.43	0.24
(Benefit Paid from the Fund)	(130.72)	(86.23)
Return on Plan Assets, Excluding Interest Income	1.70	0.25
Fair Value of Plan Assets at the end of the year	912.33	969.00



39 Employee Benefits (Contd.)

(₹ in lakhs)

Particulars	Amount recognised in the Balance Sheet	
	As at 31 March, 2021	As at 31 March, 2020
(Present Value of Benefit Obligation at the end of the year)	(993.00)	(977.07)
Fair Value of Plan Assets at the end of the year	912.34	969.01
Funded Status (Surplus/ (Deficit))	(80.65)	(8.06)
Net (Liability)/Asset Recognized in the Balance Sheet	(80.65)	(8.06)

(₹ in lakhs)

Particulars	Net Interest Cost for the Current year	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Present Value of Benefit Obligation at the Beginning of the year	977.06	971.27
(Fair Value of Plan Assets at the Beginning of the year)	(969.00)	(980.62)
Net Liability/(Asset) at the Beginning	8.06	(9.35)
Interest Cost	64.39	72.65
(Interest Income)	(63.86)	(73.35)
Net Interest Cost for Current year	0.53	(0.70)

(₹ in lakhs)

Particulars	Expenses Recognised in the Statement of Profit or Loss for Current year	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current Service Cost	73.11	55.02
Net Interest Cost/(Income)	0.53	(0.70)
Past Service Cost	-	-
Expenses Recognized	73.64	54.32

(₹ in lakhs)

Particulars	Expenses Recognised in the Other Comprehensive Income (OCI) for Current year	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current Service Cost	8.71	(35.89)
Net Interest Cost	(1.70)	(0.25)
Past Service Cost	-	-
Expenses/(Gain) Recognized	7.01	(36.14)

(₹ in lakhs)

Particulars	Balance Sheet Reconciliation	
	As at 31 March, 2021	As at 31 March, 2020
Opening Net Liability	8.06	(9.35)
Expenses Recognized in Statement of Profit or Loss	73.64	54.32
Expenses Recognized in OCI	7.01	(36.14)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(8.06)	(0.77)
Net Liability/(Asset) Recognized in the Balance Sheet	80.65	8.06

(₹ in lakhs)

Particulars	Categories of plan assets are as follows:	
	As at 31 March, 2021	As at 31 March, 2020
Insurer managed funds	912.33	969.00
Total	912.33	969.00

(₹ in lakhs)

Particulars	Amounts for the current and previous four years are as follows:				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined benefit obligation	993.00	977.07	971.27	1,047.49	842.94
Plan assets	912.34	969.01	980.62	811.98	763.17
Surplus / (deficit)	(80.65)	(8.06)	9.35	(235.51)	(79.77)
Experience adjustments on plan liabilities	3.41	(80.72)	(116.72)	(289.24)	(33.12)
Experience adjustments on plan assets	-	8.98	(1.16)	14.27	(11.00)



39 Employee Benefits (Contd.)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Expected return on plan assets	6.59%	7.48%
Discount rate	6.59%	7.48%
Salary growth rate	7.00%	7.00%
Withdrawal rate (per annum)	10.00%	10.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation (₹ in lakhs)			
	Increase in assumptions		Decrease in assumptions	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Discount rate- Delta Effect of 0.5%	(25.96)	(25.70)	27.37	27.12
Salary growth rate- Delta Effect of 0.5%	13.36	13.31	(13.33)	(13.33)
Attrition Rate- Delta Effect of 0.5%	4.36	4.60	(4.59)	(4.85)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2022 are ₹161.49 lakhs

The weighted average duration of the defined benefit obligation is 7 years (31 March, 2020 – 7 years).

Maturity Analysis of the Benefit Payments from the Fund	(₹ in lakhs)					
	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
31 March 2021						
Defined benefit obligation (gratuity)	113.70	107.16	138.36	111.51	112.45	419.84
31 March 2020						
Defined benefit obligation (gratuity)	126.58	105.85	100.33	126.40	102.01	414.54



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

40 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	(₹ in lakhs)					
Financials Assets						
Cash and cash equivalents	9,221.51	-	9,221.51	5,740.15	-	5,740.15
Bank balances other than cash and cash equivalents	17,880.81	14,571.30	32,452.12	5,568.18	13,850.84	19,419.02
Trade Receivables	85,979.30	-	85,979.30	88,921.37	-	88,921.37
Loans	1.11	2.42	3.53	-	-	-
Investments	-	12,588.24	12,588.24	11,520.80	495.88	12,016.68
Other Financial Assets	229.49	173.40	402.89	10,003.39	191.11	10,194.50
Sub-Total	1,13,312.22	27,335.36	1,40,647.59	1,21,753.89	14,537.83	1,36,291.72
Non Financials Assets						
Inventories	-	-	-	-	-	-
Current Tax Assets (Net)	-	672.57	672.57	-	801.44	801.44
Deferred Tax Assets (Net)	-	46.01	46.01	-	24.40	24.40
Property, Plant and Equipment	-	118.04	118.04	-	184.76	184.76
Intangible assets under development	-	103.12	103.12	-	15.96	15.96
Other intangible assets	-	1.96	1.96	-	97.06	97.06
Other Non- Financial Assets	114.11	77.01	191.12	66.68	77.98	144.66
Sub-Total	114.11	1,018.71	1,132.82	66.68	1,201.60	1,268.28
Total Assets	1,13,426.33	28,354.07	1,41,780.41	1,21,820.57	15,739.42	1,37,560.00



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

40 Maturity analysis of assets and liabilities (Contd.)

Liabilities	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	(₹ in lakhs)					
Financial Liabilities						
Payables						
I) Trade payables						
Due to micro and small enterprises	14.20	-	14.20	17.01	-	17.01
Due to creditors other than micro and small enterprises	79,496.55	-	79,496.55	92,809.35	-	92,809.35
II) Other payables						
Due to micro and small enterprises	-	-	-	-	-	-
Due to creditors other than micro and small enterprises	13.79	-	13.79	2.16	-	2.16
Borrowings (Other than Debt Securities)	38.40	-	38.40	55.39	40.96	96.35
Other financial liabilities	75.92	-	75.92	9.81	-	9.81
Sub-Total	79,638.86	-	79,638.86	92,893.72	40.96	92,934.68
Non-financial Liabilities						
Current tax liabilities (Net)	-	654.00	654.00	-	622.30	622.30
Provisions	6,606.23	-	6,606.23	2,794.45	406.48	3,200.93
Other non-financial liabilities	2,960.72	-	2,960.72	1,005.51	-	1,005.51
Sub-Total	9,566.95	654.00	10,220.95	3,799.97	1,028.78	4,828.74
Total Liabilities	89,205.81	654.00	89,859.81	96,693.68	1,069.74	97,763.42



Notes to standalone financial statements for the year ended 31 March, 2021

41 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows:-

(₹ in lakhs)		
Particulars	As at 31 March, 2021	As at 31 March, 2020
Debt (long-term and short-term borrowings including current maturities)	38.40	96.35
Less: cash and bank balances	41,673.63	25,159.17
Adjusted net debt	(41,635.23)	(25,062.82)
Total Equity	51,920.60	39,796.58
Adjusted net debt to adjusted equity ratio	NA	NA

42 Events after reporting date

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

43 Change in liabilities arising from financing activities

(₹ in lakhs)				
Particulars	01 April, 2020	Cash Flows	Others	31 March, 2021
Borrowings	-	-	-	-
Lease Liability	96.35	(55.39)	(2.56)	38.40
Total liabilities from financing activities	96.35	(55.39)	(2.56)	38.40

(₹ in lakhs)				
Particulars	01 April, 2019	Cash Flows	Others	31 March, 2020
Borrowings	1,954.43	(1,954.43)	-	-
Lease Liability	143.94	(47.59)	-	96.35
Total liabilities from financing activities	2,098.37	(2,002.02)	-	96.35



44 Related Party Disclosures

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A Name of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	Axis Bank Limited ("ABL")
Fellow Subsidiaries with whom transactions have taken	Axis Finance Limited ("AFL")
	Axis Securities Limited ("ASL")
	Axis Trustee Services Limited ("ATSL")
Subsidiary Company	Axis Capital USA LLC ("ACUL")
Key Management Personnel (KMP) and its relatives	Mr. Amitabh Chaudhary (Chairperson)
	Mr. Salil Pitale (Joint Managing Director and Co CEO)
	Mr. Chirag Negandhi (Joint Managing Director and Co CEO)
	Mr. Rajeev Anand (Director)
	Mr. Samir Barua (Independent Director)
	Mr. Bahram Vakil (Independent Director)
	Ms. Sutapa Banerjee (Independent Director)

B Details of related party transactions:

(₹ In lakhs)

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Income					
Brokerage Income	29.27	-	-	-	29.27
	(9.47)	-	-	-	(9.47)
Brokerage Income (ASL)	-	-	3.21	-	3.21
	-	-	-	-	-
Brokerage Income (ATSL)	-	-	15.01	-	15.01
	-	-	-	-	-
Bank Interest	1,005.28	-	-	-	1,005.28
	(936.28)	-	-	-	(936.28)
Advisory Income	2,499.00	-	-	-	2,499.00
	(924.00)	-	-	-	(924.00)
Reimbursement of expense received	18.79	-	-	-	18.79
	(26.43)	-	-	-	(26.43)
Expenses					
Remuneration of Key Management Personnel and its relatives#					
Mr. Chirag Negandhi	-	-	-	401.50	401.50
	-	-	-	(369.73)	(369.73)
Mr. Salil Pitale	-	-	-	401.02	401.02
	-	-	-	(366.03)	(366.03)
Reimbursement of expense paid	1,033.09	-	-	0.39	1,033.48
	(1,242.83)	-	-	(9.46)	(1,252.29)
Royalty charges paid	57.08	-	-	-	57.08
	(36.10)	-	-	-	(36.10)
Chaperoning Services Paid	-	178.60	-	-	178.60
	-	(126.74)	-	-	(126.74)
Interest expense	37.33	-	-	-	37.33
	(47.29)	-	-	-	(47.29)



44 Related Party Disclosures (Contd.)

(₹ In lakhs)

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Bank charges	5.23 (4.34)	-	-	-	5.23 (4.34)
Demat charges	1.06 (0.57)	-	-	-	1.06 (0.57)
Brokerage expense	9.76 (5.68)	-	-	-	9.76 (5.68)
Brokerage expense (ASL)	-	-	0.002 (11.59)	-	0.002 (11.59)

Other Transactions					
Dividend paid	4,410.00 (4,226.25)	-	-	-	4,410.00 (4,226.25)

Note: Figures In bracket pertain to the previous year.

#Deferred bonus considered in remuneration on payment basis.

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

C Key management personnel compensation pertaining to ESOP and other employee benefits:

(₹ In lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Short Term Employee Benefits/Long term retirement benefits*	-	-
Share Based Payments		
Mr. Chirag Negandhi	263.98	330.30
Mr. Salil Pitale	263.98	330.30
Total	527.96	660.60

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

D Details of balances outstanding for related party transactions:

(₹ In lakhs)

Name of the related party	Nature of Transaction	As at 31 March, 2021	As at 31 March, 2020
Holding Company	Fixed deposit (including Interest accrued)	13,722.49	9,458.83
	Share Capital	7,350.00	7,350.00
	Current account	9,219.57	5,664.56
	Overdraft Account Balance*	-	-
	Other payables	26.10	46.08
	Tarce receivable	1,547.00	-
Subsidiary Company	Tarce payable	11.00	-
	Investment	495.88	495.88

* Closing credit line obtained by the Company from Axis Bank Limited is ₹45,000 lakhs (Previous Year: ₹20,000 lakhs)

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



45 Share based payments

2019 - Employee Stock Option Plan

ABL Employee Welfare Trust ("the Trust") in consultation with Axis Bank Limited ("the Holding Company") has granted equity options of Axis Bank Limited to the New Executive employees of the Company under the Employee Stock Option Plan 2019 (" ESOP 2019") with effect from various date as given below to enable the employees of the Company to participate In the future growth and success of the Company. The Holding Company has not charged any cost to the Company relating to ESOPs granted to the employees of the Company.

These options which confer a right but not an obligation on the employee to apply for equity shares of the Holding Company once the terms and conditions set forth in the Employee Stock Option Plan 2019 ("ESOP 2019") and the option agreement have been met. Vesting of options would be subject to continued employment with the Company and meeting the requisite performance parameters.

The Company has below share based payment arrangement under ESOP 2019 till 31 March 2021

Particulars	Date of grants	Number of option granted	Exercise price (In ₹)
Grant I	30 August 2019	11,55,000	-
Grant II	6 July 2020	48,000	-
Grant III	1 October 2020	75,000	-
Grant IV	14 November 2020	11,800	-
Grant V	15 March 2021	3,334	-

Conditions

Vesting condition Continued employment with the Company and fulfilment of performance parameters

Exercise period Exercisable after vesting period

Method of settlement Equity

Vesting schedule

Particulars	Grant I to V	Number of Option vested and Exercised	Number of Option expect to be vested
As at 30 April 2020	30%	3,39,000	-
As at 30 April 2021	30% for Grant 1 and 50% of Grant II to IV	-	3,76,400
As at 30 April 2022	40% of Grant I, 50% of Grant II to IV and 100% of Grant V	-	4,80,734

Reconciliation of outstanding employee stock options:

For the year ended 31 March 2021

Particulars	Shares arising out of options	Range of exercise prices (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Outstanding as at 01 April 2020	11,35,000	-	-	1.18 years
Add: Options granted during the year	1,38,134	-	-	1.15 years
Less: Options cancelled during the year	77,000	-	-	-
Less: Options exercised during the year	3,39,000	-	-	-
Options outstanding at 31 March 2021	8,57,134	-	-	0.64 years
Exercisable options at 31 March 2021	-	-	-	-

For the year ended 31 March 2020

Particulars	Shares arising out of options	Range of exercise prices (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Outstanding as at 01 April 2019	-	-	-	-
Add: Options granted during the year	11,55,000	-	-	1.77 years
Less: Options cancelled during the year	20,000	-	-	1.77 years
Less: Options exercised during the year	-	-	-	-
Options outstanding at 31 March 2020	11,35,000	-	-	1.18 years
Exercisable options at 31 March 2020	-	-	-	-



45 Share based payments (contd.)

Valuation of stock option

The Company follows fair value based method of accounting as described under Ind AS 102 Share based payments for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year and the assumptions used in calculating the grant date fair value is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Particulars	Grant Date	Share Price as on grant date (₹ per share)	Exercise Price (₹ per share)	Expected Volatility Annualised Volatility %	Expected Life in Years	Expected Dividend Yield %	Risk-free interest rate (based on Government Bonds)	Fair vale as on grant date (₹ per share)
Grant I								
Vesting Date 30 April, 2020	30-Aug-19	663.90	-	28.00%	0.67	0.71%	5.87%	660.75
Vesting Date 30 April, 2021	30-Aug-19	663.90	-	28.00%	1.67	0.71%	5.93%	656.07
Vesting Date 30 April, 2022	30-Aug-19	663.90	-	28.00%	2.67	0.71%	6.10%	651.43
Grant II								
Vesting Date 30 April, 2021	06-Jul-20	434.00	-	30.00%	0.82	0.71%	3.72%	431.48
Vesting Date 30 April, 2022	06-Jul-20	434.00	-	30.00%	1.82	0.71%	4.09%	428.43
Grant III								
Vesting Date 30 April, 2021	01-Oct-20	443.70	-	30.00%	0.58	0.71%	3.73%	441.88
Vesting Date 30 April, 2022	01-Oct-20	443.70	-	30.00%	1.58	0.71%	4.31%	438.75
Grant IV								
Vesting Date 30 April, 2021	14-Nov-20	610.35	-	30.00%	0.46	0.71%	3.59%	608.36
Vesting Date 30 April, 2022	14-Nov-20	610.35	-	30.00%	1.46	0.71%	3.59%	604.06
Grant V								
Vesting Date 30 April, 2022	15-Mar-21	744.40	-	30.00%	1.13	0.71%	4.10%	738.45

Summary of Share based payment expense recognised in Statement in Profit and Loss

Particulars	₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
2019 ESOP plan	2,720.38	3,402.79



46 Segment Reporting

Basis of Segment

The Company has a single reporting segment and hence no separate disclosure has been provided. The Managing Directors and CEO of the Company has been considered as the chief operating decision maker (CODM).

(₹ in lakhs)

Disclosure on Geographical Segment	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Revenue from customers outside India	1,064.23	484.16
Revenue from customers within India	36,997.00	23,584.54
Total	38,061.23	24,068.70

Information about major customers: No single customer represents 10% or more of the Company's total revenue during the year ended 31 March, 2021 and 31 March, 2020.

- 47 Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.20	17.01
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	14.20	17.01



48 Revenue from Contracts with Customers (Contd.)

I Qualitative Disclosures :

The Company is engaged in the business institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head:

A Brokerage Income

Brokerage income in relation to stock broking activity is recognized as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis.

B Income from Investment Banking

Income from Investment Banking consists of Income from issue management and financial advisory services, underwriting commission and Selling commissions/brokerage generated from primary market operations.

a Issue Management and Advisory Income

In case of these issue management and advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer.

Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

b Underwriting Commission

The Company recognises underwriting commission over a period of satisfaction of performance obligation as it is continuing service.

c Selling commissions/brokerage generated from primary market operations

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

d Transaction price allocated to the remaining performance obligations

The Company has elected to apply the practical expedient under Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

e Contract Liability :An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Contract Liabilities are recognized as revenue on completing the performance obligation or over a period of time in case of continuing contracts.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

48 Revenue from Contracts with Customers (Contd.)

II Quantitative Disclosures:

a The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Revenue from contracts with customers	38,058.25	24,059.04
Other operating income	2.97	9.66
Total Revenue	38,061.22	24,068.70
Impairment loss on receivables	(37.91)	64.36

b Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major services and timing of revenue recognition:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Advisory services and other professional services	24,091.91	12,936.23
Underwriting Commission	-	55.37
Brokerage Income	13,969.31	11,077.10
Total	38,061.22	24,068.70
Timing of revenue recognition		
At a point in time	38,061.22	24,013.33
Over a period of time	-	55.37
Total	38,061.22	24,068.70

c Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Receivables	85,979.30	88,921.37
Contract Liability	79,260.15	92,441.30



A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

Financial Assets and Liabilities as at 31 March, 2021	Carrying Amount				Fair Value level wise for instruments measured at Fair value through profit and loss account/Fair value through other comprehensive Income			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	9,221.51	9,221.51	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	32,452.12	32,452.12	-	-	-	-
Trade Receivables	-	-	85,979.30	85,979.30	-	-	-	-
Loans	-	-	3.53	3.53	-	-	-	-
Investments:								
Equity Instruments in unlisted companies	-	12,092.36	-	12,092.36	-	-	12,092.36	12,092.36
Other Financial Assets	-	-	402.89	402.89	-	-	-	-
Total	-	12,092.36	1,28,059.35	1,40,151.71	-	-	12,092.36	12,092.36
Financial Liabilities								
Payables								
Trade payables	-	-	79,510.75	79,510.75	-	-	-	-
Other payables	-	-	13.79	13.79	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	38.40	38.40	-	-	-	-
Other financial liabilities	-	-	75.92	75.92	-	-	-	-
Total	-	-	79,638.86	79,638.86	-	-	-	-



Financial Assets and Liabilities as at 31 March, 2020	Carrying Amount				Fair Value level wise for instruments measured at Fair value through profit and loss account/Fair value through other comprehensive Income			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	5,740.15	5,740.15	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	19,419.02	19,419.02	-	-	-	-
Trade Receivables	-	-	88,921.37	88,921.37	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Investments:								
Mutual funds	11,520.80	-	-	11,520.80	11,520.80	-	-	11,520.80
Other Financial Assets	-	-	10,194.50	10,194.50	-	-	-	-
Total	11,520.80	-	1,24,275.03	1,35,795.84	11,520.80	-	-	11,520.80
Financial Liabilities								
Payables	-	-	-	-	-	-	-	-
Trade payables	-	-	92,826.36	92,826.36	-	-	-	-
Other payables	-	-	2.16	2.16	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	96.35	96.35	-	-	-	-
Other financial liabilities	-	-	9.81	9.81	-	-	-	-
Total	-	-	92,934.68	92,934.68	-	-	-	-



Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets for the periods 31 March 2021:

Particulars	₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Opening balance	-	-
Acquisitions during the year	12,092.36	-
Disposals during the year	-	-
Fair value gains/(losses) recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	-	-
Closing balance	12,092.36	-

Sensitivity for Instruments:

Nature of the instrument	Fair Value As at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	₹ in lakhs)	
				Sensitivity Impact for the year ended March 31, 2021	
				FV Increase	FV Decrease
Equity Instruments in unlisted companies	Fair value estimated by the management considering current market conditions	Impact estimated by the management considering current market conditions	5%	604.62	(604.62)



Financial assets and financial liabilities measured at amortised cost

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Amortised Cost	Fair Value	Amortised Cost	Fair Value
Financial Assets				
Cash and cash equivalents	9,221.51	9,221.51	5,740.15	5,740.15
Bank balances other than cash and cash equivalents	32,452.12	32,452.12	19,419.02	19,419.02
Trade Receivables	85,979.30	85,979.30	88,921.37	88,921.37
Loans	3.53	3.53	-	-
Other Financials Assets	402.89	402.89	10,194.50	10,194.50
Total	1,28,059.35	1,28,059.35	1,24,275.04	1,24,275.04
Financial Liabilities				
Payables				
Trade payables	79,510.75	79,510.75	92,826.36	92,826.36
Other payables	13.79	13.79	2.16	2.16
Borrowings (Other than Debt Securities)	38.40	38.40	96.35	96.35
Other financial liabilities	75.92	75.92	9.81	9.81
Total	79,638.86	79,638.86	92,934.68	92,934.68

B Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other current bank balances and other financial liabilities including trade payables etc. are considered to be the same as their fair values, due to current and short term nature of such balances.
- Financial instruments with fixed interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments. Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

C Hierarchy of fair values

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The fair value of all mutual funds is valued using the closing NAV as at the reporting period.

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

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



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

49 Fair Value Measurement (Contd.)

Valuation techniques used to determine fair value

Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Investment in Equity Instruments (Classified as level 3)

Fair value has been determined by using the following approaches:

The Company has purchased 3,83,76,257 equity shares having face value of ₹ 10 each of Max Life Insurance Limited at ₹ 31.51 per share on 26 March, 2021. The independent valuer has considered book value as fair value. Since this investment is made in unrelated party and at close to year end, the management has decided that book value reflects the fair value for this year.

Fair value of financial instruments carried at amortised cost

The carrying amount of financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Deposits

The fair value of deposits without defined maturities are the amounts payable on demand. For deposits with defined maturities, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Transfers between Level 1 and Level 2 and between Level 1 and Level 3

There were no transfers between level 1 and 2 and between Level 1 and Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.



50 Financial Risk Management

The Company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

A Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other Receivables

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Outstanding for a period not exceeding six months	85,772.40	88,908.10
Outstanding for a period exceeding six months	314.02	183.30
Gross Trade Receivables	86,086.42	89,091.40
Less: Impairment Loss	107.12	170.03
Net Trade Receivables	85,979.30	88,921.37

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

The Company has assessed credit risk on an individual basis for trade receivables.

The following table summarizes the changes in loss allowances measured using expected credit loss model on trade receivables.

Particulars	₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Opening Provision	170.03	105.72
Provision during the year	162.40	101.45
Reversal of Provision	(225.31)	(37.14)
Closing Provision	107.12	170.03

ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of ₹41,673.62 lakhs at 31 March, 2021 (₹25,159.17 lakhs at 31 March, 2020). The same are held with bank and financial institution counterparties with good credit rating. Also, the Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.



50 Financial Risk Management (Contd.)

iii. Loans

The Company has given loans to their staff and hence the Company do not foresee any credit risk and hence no impairment provision is made.

iv. Other Financial Assets

Other Financial Assets majorly consists of OPE recoverable from the clients . Provision for Impairment Loss for 31 March, 2021 - ₹ Nil (31 March, 2020 - ₹Nil)

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(₹ in lakhs)

Contractual maturities of financial liabilities 31 March, 2021	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	79,510.75	-	-	79,510.75
Other payables	13.79	-	-	13.79
Borrowings	41.89	-	-	41.89
Other financial liabilities	75.92	-	-	75.92
Total	79,642.35	-	-	79,642.35

(₹ in lakhs)

Contractual maturities of financial liabilities 31 March, 2020	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	92,826.36	-	-	92,826.36
Other payables	2.16	-	-	2.16
Borrowings	60.85	41.89	-	102.74
Other financial liabilities	9.81	-	-	9.81
Total	92,899.18	41.89	-	92,941.07



50 Financial Risk Management (Contd.)

C Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company’s exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

The Company is exposed to currency risk on account of its trade receivables in foreign currency. The functional currency of the Company is Indian Rupee

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2021 and 31 March, 2020 are as below:

Particulars	₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Trade and Other Receivables	457.69	100.60
Trade and Other Payable	14.42	-
Bank Balances	14.08	2.94
Advances	1.82	-

Year End Spot Rates

Particulars	As at	
	31 March, 2021	31 March, 2020
INR per USD	73.11	75.63
INR per GBP	100.77	93.53

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of sales.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period:

Particulars	₹ in lakhs)	
	Foreign Currency Exposure (In lakhs)	
	March 31, 2021	March 31, 2020
1% Depreciation in INR-Impact on Profit and Loss/Equity	4.59	1.04
1% Appreciation in INR-Impact on Profit and Loss/Equity	(4.59)	(1.04)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long term debt obligation at floating interest rates. The Company’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the Company’s borrowing to interest rate changes at the end of the reporting period are as follows:



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

50 Financial Risk Management (Contd.)

(₹ in lakhs)

Particulars	As at	
	31 March, 2021	31 March, 2020
Floating rate borrowings	-	-

(iii) Price Risk

The Company's exposure to mutual fund price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss. The Company had invested in the highly liquid debt oriented funds during the year and redeemed all the units in the year itself. However, there is no closing balance of such mutual funds in the Company as on March 31, 2021, therefore the Company doesn't have a material price risk exposure.

Other Risk - Impact of COVID -19

The management believes that the financial assets are recoverable and there is no impact of ongoing COVID 19 on these balances as 31 March 2021. Please also refer Note No 54.



Notes to standalone financial statements for the year ended 31 March, 2021

51 The Company has received margin money in the form of securities from the clients in the normal course of business which are either pledged in favour of the Company or are transferred to the Company's Depository Participant account. Such securities are kept by the Company in a separate Depository Participant account maintained by the Company for all such purposes. However, with effect from 01 August 2020, as per SEBI circulars issued on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System, clients don't transfer their shares in brokers' pool account. Clients raise a pledge request with their depository participants in favour of Trading/Clearing Member who in turn re-pledges the same with clearing corporation with whom broker member is registered. Hence, there is no requirement to be pledge shares in favour of the Company or transfer to Company's pool account for margin purpose.

52 Disclosure related to Leases

A Additions to Right to Use

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Lease hold Property	-	-

B Carrying value of right of use assets at the end of the reporting period

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning of the year	96.35	143.94
Additions	-	-
Depreciation charge for the year	61.14	47.58
Balance at the end of the year	35.21	96.35

C Lease Liability as the end of the reporting period

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning of the year	96.35	143.94
Additions	-	-
Finance cost accrued during the period	5.45	10.37
Deletions	2.56	-
Payment of Lease Liabilities	60.85	57.95
Balance at the end of the year	38.40	96.35



D Maturity analysis of lease liabilities

(₹ in lakhs)

Maturity analysis – contractual undiscounted cash flows	As at 31 March, 2021	As at 31 March, 2020
Less than one year	41.89	60.85
One to five years	-	41.89
More than five years	-	-
Total undiscounted lease liabilities at 31 March	41.89	102.74
Lease liabilities included in the statement of financial position at the year ended	38.40	96.35

E Amounts recognised in statement of profit or loss

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest on lease liabilities	5.45	10.37
Expenses relating to short-term leases	557.11	667.59
Expenses relating to leases of low-value assets	0.72	1.44
Total	563.28	679.40

F Amounts recognised in the statement of cash flows

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Operating Activity	557.83	669.03
Financial Activity	60.85	57.95
Total Cash outflow for leases	618.68	726.98

The discounting rate of 9% has been applied to lease liabilities recognised in the balance sheet as at the reporting date .

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



AXIS CAPITAL LIMITED

Notes to standalone financial statements for the year ended 31 March, 2021

53 In compliance with Ind AS 27 " Separate Financial Statements" the required information is as under:

Name of entity	Principal place of business/ country of origin	subsidiary/ associate/ Joint Venture	Percentage of ownership	
			Interest as on	
			31 March 2021	31 March 2020
Axis Capital USA LLC	Delaware, United States of America	Subsidiary	100 %	100 %

54 As the global pandemic COVID-19 continues to spread, the Indian government announced lockdown across the country to contain the spread of the virus. The management has assessed the internal and external information upto the date of approval of these financial statements and concluded that there is no material impact of COVID-19 on the Company's financials for year ended 31st March 2021.

55 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per report of even date
For Haribhakti & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 103523W / W100048



Purushottam Nyati
 Partner
 Membership No. :- 118970



Place: Mumbai
 Date: 16 April 2021

For and on behalf of the Board of Directors


Amitabh Chaudhry
 Chairman
 DIN No. :- 0531120


Sali Pitale
 Jt. MD and Co-CEO
 DIN No. :- 07824218


Chirag Waghani
 Jt. MD and Co-CEO
 DIN No. :- 06988113


Neelesh Baheti
 Chief Financial Officer


M. Natarajan
 Company Secretary



Date: 16 April 2021

Place: Mumbai

**Consolidated Financial Statements
for the year ended 31 March 2021**

AXIS CAPITAL LIMITED

Registered Office:
Axis House, 8th Floor
Wadia International Centre
Pandurang Budhkar Marg, Worli - 400025
Mumbai, Maharashtra

HARIBHAKTI & CO. LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Capital Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Axis Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Director's Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The Holding Company's Director's Report is expected to be made available to us after the date of this auditor's report.



Haribhakti & Co. LLP, Chartered Accountants Regn. No. AAC- 3768, a limited liability partnership registered in India (converted on 17th June, 2014 from a firm Haribhakti & Co. FRN: 103523W)
703, Venus Atlantis, 100 Ft. Road, Corporate Road, Prahlad Nagar, Ahmedabad - 380 015 T: +91 79 4032 0441/4032 0442
Registered offices: 701, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059, India
Other offices: Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Mumbai, New Delhi, Pune.

HARIBHAKTI & CO. LLP

Chartered Accountants

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Holding Company's Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

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Registered offices: 701, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059, India
Other offices: Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Mumbai, New Delhi, Pune.



HARIBHAKTI & CO. LLP

Chartered Accountants

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

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relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- (a) We did not audit the Ind AS financial statements of a subsidiary, whose Ind AS financial statements reflects total assets of Rs. 420.66 Lakhs and net assets of Rs. 399.89 Lakhs as at March 31, 2021, total revenues of Rs. 195.02 Lakhs and net cash inflows amounting to Rs. 25.02 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. This subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been furnished to us by the subsidiary's management. The Holding Company's management has provided us the adjustments for conversion of subsidiary's financial statements from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements and the conversion adjustments prepared by the management of the Holding Company. In our opinion and according to the information and explanations given to us by the management, these unaudited financial statements and the conversion adjustments thereon are not material to the Group.
- (b) The comparative unaudited Ind AS financial statements of the Group for the year ended March 31, 2020 included in this consolidated Ind AS financial statements, has been furnished to us by the management and relied upon by us for the purpose of our audit of the consolidated Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the Ind AS financial statements furnished to us by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



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Chartered Accountants

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2021 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 with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our standalone report under section 143(3)(i) of the Act of even date. We do not report on the adequacy of the internal financial controls with reference to financial statements of the subsidiary company and the operating effectiveness of such controls in terms of section 143(3)(i) of the Act, as it is incorporated outside India and its Ind AS financial statements are unaudited and hence, the said reporting is not applicable to the subsidiary company;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company, the remuneration paid/ provided by the Holding Company is in accordance with the provisions of section 197 of the Act;

- h. 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the consolidated Ind AS financial statements;

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;



HARIBHAKTI & CO. LLP

Chartered Accountants

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048


Purushottam Nyati

Partner

Membership No. 118970

UDIN: 21118970AAAAEC5004

Place: Mumbai

Date: April 16, 2021



AXIS CAPITAL LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(₹ in lakhs)

	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	3	9,281.51	5,775.13
Bank Balance other than cash & cash equivalents	4	32,452.12	19,419.02
Trade receivables	5	85,979.30	88,930.64
Loans	6	3.53	-
Investments	7	12,431.02	11,870.76
Other financial assets	8	410.65	10,204.72
Total financial assets (A)		1,40,558.13	1,36,200.27
NON-FINANCIAL ASSETS			
Inventories	9	-	-
Current tax assets (net)	10	672.57	801.44
Deferred tax assets (net)	33	46.01	24.40
Property, plant and equipment	11	118.32	185.31
Intangible assets under development	12	1.96	15.96
Other intangible assets	13	103.12	97.06
Other non-financial assets	14	193.79	146.53
Total non-financial assets (B)		1,135.77	1,270.70
Total Assets (A+B)		1,41,693.90	1,37,470.97
LIABILITIES AND EQUITY			
LIABILITIES			
FINANCIAL LIABILITIES			
Payables			
Trade payables			
Due to micro and small enterprises	15	14.20	17.01
Due to others		79,505.89	92,827.03
Other payables	16	13.79	2.16
Borrowings	17	38.40	96.35
Other financial liabilities	18	75.92	9.81
Total financial liabilities (A)		79,648.20	92,952.36
NON-FINANCIAL LIABILITIES			
Current tax liabilities (net)	19	654.15	622.36
Provisions	20	6,606.23	3,200.93
Other non-financial liabilities	21	2,960.72	1,005.51
Total non-financial liabilities (B)		10,221.10	4,828.80
EQUITY			
Equity share capital	22	7,350.00	7,350.00
Other equity	23	44,474.60	32,339.81
Total Equity (C)		51,824.60	39,689.81
Total liabilities and equity (A+B+C)		1,41,693.90	1,37,470.97

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 16 April 2021

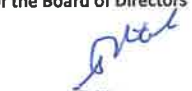


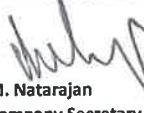
For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120

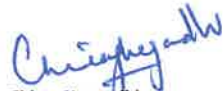

Neelesh Baheti
Chief Financial Officer

Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary

Date: 16 April 2021


Chirag Negandhi
Jt. MD and Co-CEO
DIN No. :- 06988113



	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operation			
(a) Fees from advisory services and other professional services	24	24,097.87	12,990.82
(b) Brokerage Income	24	13,969.31	11,077.10
(c) Other Operating Income	24	2.97	9.65
Total Revenue from Operations (A)		38,070.15	24,077.57
Other income (B)	25	2,623.46	2,975.78
Total Income (A+B) (1)		40,693.61	27,053.35
Finance costs	26	127.59	96.58
Impairment of financial instruments	27	(37.91)	64.36
Employee benefit expense	28	15,338.73	11,614.78
Depreciation and amortization	29	145.88	122.49
Other expenses	30	5,627.93	5,084.33
Total Expenses (2)		21,202.22	16,982.54
Profit before tax (3) = (1-2)		19,491.39	10,070.81
Tax expenses:			
Current tax		5,687.56	3,487.46
Short / (Excess) provision for tax of earlier years		(18.96)	(77.13)
Deferred Tax		(21.61)	21.66
Total tax expense (4)	32	5,646.99	3,431.99
Profit for the year (5) = (3-4)		13,844.40	6,638.82
Other comprehensive income			
Items not to be reclassified in profit and loss			
Remeasurement gain/(loss) on defined benefit plan (net of tax)		(7.01)	36.14
Items to be reclassified in profit and loss			
Exchange difference on translating the financial statements of foreign operations		(12.97)	36.05
Other comprehensive income (6)		(19.98)	72.19
Total comprehensive income for the year (7) = (5+6)		13,824.42	6,711.01
Earning per equity share:			
[Nominal value per share ₹10 (31 March 2020: ₹10)]			
Basic (₹)	34	18.84	9.03
Diluted (₹)	34	18.84	9.03

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner


Membership No. :- 118970

Place: Mumbai

Date: 16 April 2021




For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120


Saiil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


Chirag Nagandhi
Jt. MD and Co-CEO
DIN No. :- 06988113


Neelesh Baheti
Chief Financial Officer
Place: Mumbai


M. Natarajan
Company Secretary
Date: 16 April 2021



(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A) Cash flows from operating activities		
Profit before taxes	19,491.40	10,070.81
Non cash & non operating adjustments:		
Net gain on fair value instruments at fair value through profit or loss	(349.38)	(531.54)
Interest Income on deposit with banks	(2,126.08)	(2,092.60)
Interest income on staff loan and deposits	(1.20)	(1.08)
Interest Income on Insurance Money Market Accounts (IMMA)	(0.36)	(1.16)
Interest on overdraft	37.33	47.29
Interest on lease payment	5.45	10.37
Interest on income tax expenses	84.81	38.93
Reversal of liability no longer required	(141.81)	(329.71)
Depreciation and amortisation	145.88	122.49
Unrealised foreign exchange (gain)/loss	0.19	(7.28)
Provision for bad and doubtful debts	162.40	101.45
Bad debts and sundry balances written off	25.00	0.05
Reversal of provision of doubtful debts	(225.32)	(37.14)
Fair valuation of share based payments to employees	2,720.38	3,402.79
Loss on fair value of deposits	1.48	-
Operating profit before working capital changes	19,830.17	10,793.67
Movement in working capital:		
Decrease / (increase) in trade receivables	2,988.01	(52,911.99)
Decrease / (increase) in other receivables	-	-
Decrease / (increase) in loans	(3.45)	4.00
Decrease / (increase) in other financial assets	9,792.89	(9,711.16)
Decrease / (increase) in other non-financial assets	(46.46)	8.70
Increase / (decrease) in trade payables	(13,173.57)	60,434.86
Increase / (decrease) in Others financial liabilities	65.99	(8.24)
Increase / (decrease) in provisions	3,398.29	(828.43)
Increase / (decrease) in others non-financial liabilities	1,955.21	120.52
Cash generated from operations	24,807.08	7,901.93
Direct taxes paid (net of refund)	(5,602.70)	(2,643.82)
Net cash flows from operating activities	19,204.38	5,258.11
B) Cash flow from investing activities		
Purchase of fixed assets including intangible assets under development	(59.31)	(140.71)
Purchase of investments	(1,26,393.24)	(1,41,728.62)
Sale of investments	1,26,182.35	1,42,599.99
Investment in bank fixed deposit	(73,690.99)	(41,021.20)
Redemption of bank fixed deposit	62,133.40	45,616.20
Interest received on fixed deposit	650.58	1,948.18
Interest Income on Insurance Money Market Accounts (IMMA)	0.36	1.74
Net cash flows from/(used in) investing activities	(11,176.85)	7,275.58
C) Cash flows from financing activities		
Equity dividend paid	(4,410.00)	(4,226.25)
Tax on equity dividend paid	-	(868.72)
Interest on lease payment	(5.45)	(10.37)
Lease liability	(55.39)	(47.58)
Interest on overdraft paid	(37.33)	(47.29)
Proceeds from / (repayment of) short term borrowings	-	(1,954.43)
Net cash flows used in financing activities	(4,508.17)	(7,154.64)
D) Effect of exchange fluctuation translation	(12.97)	36.05
Net increase in cash and cash equivalents (A+B+C+D)	3,519.36	5,379.05
Cash and cash equivalents at the beginning of the year	5,775.12	360.03
Cash and cash equivalents at the end of the year	9,281.51	5,775.13
Components of cash and cash equivalents		
Cash in hand	0.65	0.70
Balances with banks:		
-In current accounts	9,280.86	5,774.43
Total	9,281.51	5,775.13

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 - Cash Flow Statement.

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

As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 16 April 2021



For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120


Neelesh Baheti
Chief Financial Officer

Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary

Date: 16 April 2021


Chirag Negandhi
Jt. MD and Co-CEO
DIN No. :- 06988113



AXIS CAPITAL LIMITED

Consolidated statement of changes in equity

A. Equity share capital

Particulars	(₹ in lakhs)		
	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Equity shares of ₹10 each fully paid up			
As on 31 March 2020	7,350.00	-	7,350.00
As on 31 March 2021	7,350.00	-	7,350.00

B. Other equity

Particulars	Reserves & Surplus					Total
	General Reserve	Retained earnings	Contribution from Shareholders	Foreign Currency Translation Reserve		
Opening balance as on 31 March 2019	1,292.37	26,041.41	-	(12.81)		27,320.97
Profit for the current year	-	6,638.82	-	-		6,638.82
Other Comprehensive Income / (loss) for the year (net of tax)	-	36.14	-	36.05		72.19
Dividend paid	-	(4,226.25)	-	-		(4,226.25)
Dividend Distribution Tax	-	(868.72)	-	-		(868.72)
Share based payments to employees - capital contribution	-	-	3,402.79	-		3,402.79
Changes during the year	-	1,579.99	3,402.79	-	36.05	5,018.83
Closing balance as on 31 March 2020	1,292.37	27,621.40	3,402.79	23.24		32,339.80
Opening balance as on 01 April 2021	1,292.37	27,621.40	3,402.79	23.24		32,339.80
Profit for the current year	-	13,844.40	-	-		13,844.40
Other Comprehensive Income / (loss) for the year (net of tax)	-	(7.01)	-	(12.97)		(19.98)
Dividend paid	-	(4,410.00)	-	-		(4,410.00)
Share based payments to employees - capital contribution	-	-	2,720.38	-		2,720.38
Changes during the year	-	9,427.39	2,720.38	-	(12.97)	12,134.80
Closing balance as on 31 March 2021	1,292.37	37,048.79	6,123.17	10.27		44,474.60



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AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended March 31, 2021

1. Corporate Information

Axis Capital Limited ("the Company") alongwith its subsidiary company Axis Capital USA LLC incorporated in Delaware State of United States of America (collectively referred to as "the Group") are an integrated and diversified financial services group. The Group is part of Axis Bank Limited ('the Bank').

The Group is in the business of institutional broking, investment banking and distribution of financial products.

2. Basis of preparation

A. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

B. Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees (₹) which is also the Group's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of Measurement

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- i. Certain Financial instruments – measured at fair value
- ii. Defined benefit plans-plan assets measured at fair value

D. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended March 31, 2021

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group loses control of a subsidiary, a gain or loss is recognised in the Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified /permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

E. Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The followings are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements and / or key source of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.:



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Notes to consolidated financial statements for the year ended March 31, 2021

a. Revenue

Recognition of revenue over time or at a point in time: The Group recognises revenue from Issue management and financial advisory services at a point in time based on milestones as per the agreement with the client except underwriting commission for which performance obligation is satisfied over a period of time

b. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support and supported by independent assessment by professionals.

c. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 39.

d. Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

e. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

f. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.



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When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values (Refer Note 49) about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

g. Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Group assesses whether the above financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Group does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECL approach at each reporting date.

h. Recoverable amount for Impairment of non-financial assets

The Group reviews at each balance sheet date the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

F. Standards issued but not effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such new standard issued which would have been applicable from April 01, 2021.

G. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the consolidated financial statements .

a. Property, Plant and Equipment

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing



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the asset to its working condition for management's intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

b. Depreciation on plant, property and equipment

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for vehicles and office equipments.

The estimated useful lives are as follows:

	Useful lives estimated by the management (years)	Useful Life as per prescribed in Schedule II of the Act (years)
Computers	3	3
Furniture and fixtures	10	10
Office equipment	2 – 10	5
Vehicles	4	10

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- The useful lives of certain office equipment are estimated as 3 to 10 years.
- Furniture and fixtures and vehicles are depreciated over the estimated useful lives of 10 years and 4 years respectively.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and any changes in estimate accounted for on a prospective basis.

c. Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.



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Notes to consolidated financial statements for the year ended March 31, 2021

The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the statement of profit and loss.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale..

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. The Group's intangible assets consist of computer software with definite life.

Gains or losses arising from derecognition of an intangible asset 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.

A summary of amortisation policies applied to the Group's intangible assets is as below:

	Rates (SLM)
Computer software	20%

d. Impairment of property, plant and equipment and intangible assets

The Group reviews at each balance sheet date the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such impairment indication exists, the Group estimates the recoverable amount (i.e. the higher of the assets' net selling price and value in use) of the asset of cash generating unit to which the asset belongs to . If such recoverable amount of asset or recoverable amount of cash generating unit to which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.



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Notes to consolidated financial statements for the year ended March 31, 2021

e. Revenue recognition

Revenue (other than for those items to which Ind AS 109 'Financial Instruments' are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Brokerage –

- i. Brokerage income in relation to stock broking activity is recognized as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis.
- ii. Gains/losses on dealing in securities are recognized on a trade date basis.

Investment Banking –

- i. Revenue from issue management and financial advisory services is recognized based on the stage of completion of performance obligations and terms of agreement with the client.
- ii. Revenue from underwriting commission is recognised over a period of satisfaction of performance obligation.
- iii. 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 Group, once the allotment of securities are completed.

Interest and dividend –

- i. Interest income on financial assets carried at amortized cost is recognized on an accrual basis using effective interest (EIR) method. Interest revenue is by applying effective interest rate on the gross carrying amount of financial assets in Stage 1 and Stage 2. Interest revenue on financial assets in Stage 3 is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.
- ii. Dividend income is recognized when the Group's right to receive dividend has been established.

f. Inventories

Securities acquired with the intention of short-term holding and trading are classified as inventories. The securities held as inventories are valued at lower of cost arrived at on first in first out (FIFO) basis or marketable fair value. Any loss on valuation is routed through statement of profit and loss.

g. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.



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As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then Group's incremental borrowing rate is used. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of real estate properties that are having non-cancellable lease term of less than 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



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h. Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, investments and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Recognition of Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

1. Financial Assets

Subsequent Measurement of Financial Assets

For subsequent recognition, financial assets are subsequently measured at measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i. Amortised Cost:

The Group classifies the financial assets at amortised cost if the contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows.

The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category. These are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

ii. Fair value through Other Comprehensive Income (FVOCI):

The Group classifies the financial assets at FVOCI if the contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Changes in fair value are recognised in other comprehensive income with a separate component of equity. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss as a reclassification adjustment.



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In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition. Dividends on such investments are recognised in profit or loss.

iii. Fair Value through Profit and Loss Account (FVTPL)

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Profit and loss on sale of investment is determined on the basis of weighted average cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at measurement date.

Level 2: inputs are inputs, other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs are inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;



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- a. the Group has transferred substantially all the risks and rewards of the asset, or
- b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Based on the Group's business model for managing the investments, the Group has classified its investments in mutual funds as FVTPL.

2. Financial Liabilities and Equity Instruments

Subsequent measurement of Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

This is dependent upon the classification thereof as under:

- (i) At Amortised Cost
- (ii) At Fair value through Profit & loss Account

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

Derecognition

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



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended March 31, 2021

Offsetting of Financial Instruments

Financial assets and financial liabilities are offsetted and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

i. Impairment of Financial Asset:

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss allowance on the following financial assets and credit risk exposures:

- Financial assets at amortized cost
- Financial guarantee contracts.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Group does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Group uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables.

For recognition of impairment loss allowance on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL approach is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

j. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined benefit plans

The liabilities under the Payment of Gratuity Act, 1972 are recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.



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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Long Term Employee Benefits

The Group 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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

k. Share based payment arrangements

Employees Stock Options Plans ("ESOPs") - Equity settled

The Trust in consultation with the holding Group grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

l. Income taxes

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in Equity respectively.

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.



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Deferred income taxes reflect the impact of temporary 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 tax liabilities are recognized for all taxable temporary timing differences. Deferred tax assets are recognized for deductible temporary 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.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

m. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs to the extent related/attribution to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective Property, Plant and Equipment up to the date such asset is ready for use. Other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

n. Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended March 31, 2021

o. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before other comprehensive income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Joint Managing Directors and CEO of the Group assesses the financial performance and position of the Group and make strategic decisions and hence has been identified as being chief operating decision maker.

q. Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) 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.

r. Contingent liabilities and Assets

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 Group 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 Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements . Where 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.

Contingent assets are not recognised in the consolidated financial statements if the inflow of the economic benefit is probable than it is disclosed in the consolidated financial statements .

s. 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 deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended March 31, 2021

t. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

u. Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2020

3. Cash and bank balances

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Cash and cash equivalents		
-Cash on hand	0.65	0.70
Balances with banks:		
-In current accounts	9,280.86	5,774.43
Total	9,281.51	5,775.13

4. Bank Balance other than cash & cash equivalents

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Fixed deposits with original maturity of more than 12 months		
Lien marked deposits (The period of lien is in line with the period of fixed deposit)*	32,452.12	18,067.96
Other Deposits	-	1,351.06
Total	32,452.12	19,419.02

*Lien marked to stock exchanges for margin/security deposit purpose and banks for overdraft facilities

5. Trade receivables

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Unsecured, considered good		
Due from related parties	1,547.00	-
Due from others	84,225.40	88,918.47
Sub total	85,772.40	88,918.47
Unsecured, considered doubtful		
Due from others	314.02	182.20
Sub total	314.02	182.20
Less: Impairment loss allowance on doubtful trade receivables	(107.12)	(170.03)
Total	85,979.30	88,930.64

6. Loans

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Loans at Amortised Cost		
(A) Staff Loans	3.53	-
Sub total	3.53	-
Less: Impairment Loss	-	-
Total (A)	3.53	-
(B) Unsecured	3.53	-
Sub total	3.53	-
Less: Impairment Loss	-	-
Total (B)	3.53	-
(C)		
(i) Loans in India		
Others	3.53	-
Sub total	3.53	-
Less: Impairment Loss	-	-
Total (C)(i)	3.53	-
(ii) Loans outside India		
Others	-	-
Sub total	-	-
Less: Impairment Loss	-	-
Total (C)(ii)	-	-
Total (C)(i)+(ii)	3.53	-



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

7. Investments

Particulars	31 March 2021					
	Amortised cost	Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(7=1+5+6)
(i) Mutual Funds						
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	-	-	-	-
HDFC Liquid Fund - Direct - Growth*	-	-	-	-	-	-
(ii) Insured money market account						
CitiBusiness Insured money market account (IMMA)	338.66	-	-	-	-	338.66
(iii) Other						
Equity Instruments in unlisted companies	-	12,092.36	-	-	12,092.36	12,092.36
Total Gross (A)	338.66	12,092.36	-	-	12,092.36	12,431.02
(i) Investment outside India	338.66	-	-	-	-	338.66
(ii) Investment in India	-	12,092.36	-	-	12,092.36	12,092.36
Total (B)	338.66	12,092.36	-	-	12,092.36	12,431.02
Less: Impairment loss allowance (C)	-	-	-	-	-	-
Total Net (A-C)	338.66	12,092.36	-	-	12,092.36	12,431.02

7. Investments (contd.)

Particulars	31 March 2020					
	Amortised cost	Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(7=1+5+6)
(i) Mutual Funds						
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	2,562.58	-	2,562.58	2,562.58
HDFC Liquid Fund - Direct - Growth*	-	-	8,958.22	-	8,958.22	8,958.22
(ii) Insured money market account						
CitiBusiness Insured money market account (IMMA)	349.96	-	-	-	-	349.96
(iii) Other						
Equity Instruments in unlisted companies	-	-	-	-	-	-
Total Gross (A)	349.96	-	11,520.80	-	11,520.80	11,870.76
(i) Investment outside India	349.96	-	-	-	-	349.96
(ii) Investment in India	-	-	11,520.80	-	11,520.80	11,520.80
Total (B)	349.96	-	11,520.80	-	11,520.80	11,870.76
Less: Impairment allowance (C)	-	-	-	-	-	-
Total Net (A-C)	349.96	-	11,520.80	-	11,520.80	11,870.76

*pledged to Stock Exchange and Bankers amounting to ₹ Nil (31 March, 2020: ₹ 11,520.80 lakhs)



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March , 2020

8. Other financial assets

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Security/margin deposit		
-with stock exchanges	173.25	9,973.25
-others	38.59	31.77
Advance recoverable in cash		
-Recoverable from others	198.74	192.54
Income receivable	0.07	7.16
Sub total	410.65	10,204.72
Less: Impairment loss allowance	-	-
Total	410.65	10,204.72

9. Inventories

	As at 31 March 2021		As at 31 March 2020	
	(No of Shares)	(₹ in lakhs)	(No of Shares)	(₹ in lakhs)
Opening	-	-	-	-
Purchase	34,95,112	10,499.25	39,30,369	13,345.70
Sale (at cost)*	34,95,112	10,499.25	39,30,369	13,345.70
Closing	-	-	-	-
Total				

* Loss (net) of ₹9.33 lakh has been disclosed under Note 30 "Other expenses" [31 March 2020: Profit (net) of ₹6.67 lakh on sale of these shares has been disclosed under Note 24 "Revenue from operations"]

10. Current tax assets (net)

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Advance income-tax [Net of provision of ₹16,283.04 lakh (31 March 2020: ₹10,292.00 lakh)]	672.57	801.44
Total	672.57	801.44



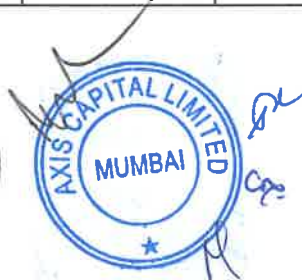
AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

11. Property, plant and equipment

(₹ in lakhs)

Particulars	Computers	Furniture	Office Equipment	Right to use	Total
Gross carrying amount at cost					
As at 1 April, 2019	121.23	1.18	12.82	158.45	293.68
Additions during the year	54.86	-	4.74	-	59.60
Disposals during the year	-	-	-	-	-
Exchange gain / (Loss) on foreign exchange translation	(0.06)	-	-	-	(0.06)
As at on 31 March, 2020	176.03	1.18	17.56	158.45	353.22
Accumulated depreciation and impairment as at 1 April, 2019	48.58	0.23	2.97	14.52	66.30
Depreciation for the year	50.90	0.23	2.90	47.58	101.61
Disposals during the year	-	-	-	-	-
Accumulated depreciation and impairment as at 31 March, 2020	99.48	0.46	5.87	62.10	167.91
As at 1 April, 2020	176.03	1.18	17.56	158.45	353.22
Additions during the year	45.76	-	3.07	-	48.83
Disposals during the year	-	-	-	-	-
Exchange gain / (Loss) on foreign exchange translation	(0.03)	-	-	-	(0.03)
As at 31 March, 2021	221.76	1.18	20.63	158.45	402.02
Accumulated depreciation and impairment as at 1 April, 2020	99.48	0.46	5.87	62.10	167.91
Depreciation for the year	50.92	0.21	3.51	61.14	115.79
Disposals during the year	-	-	-	-	-
Accumulated depreciation and impairment as at 31 March, 2021	150.40	0.67	9.38	123.24	283.70
Net carrying amount as at 31 March, 2021	71.36	0.51	11.25	35.21	118.32
Net carrying amount as at 31 March, 2020	76.55	0.73	11.69	96.35	185.31



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

12. Intangible assets under development

(₹ in lakhs)

Particulars	Intangible assets under development
Gross carrying amount at cost	
As at 1 April, 2019	26.73
Additions during the year	31.71
Capitalised during the year	42.48
As at 31 March, 2020	15.96
As at 1 April, 2020	15.96
Additions during the year	16.12
Capitalised during the year	30.12
As at 31 March, 2021	1.96

13. Other Intangibles

(₹ in lakhs)

Particulars	Software	Website development cost	Total
Gross carrying amount at cost			
As at 1 April, 2019	28.50	5.81	34.31
Additions during the year	93.03	-	93.03
Disposals during the year	-	-	-
As at 31 March, 2020	121.53	5.81	127.34
Accumulated depreciation and impairment as at 1 April, 2019	8.30	1.10	9.40
Amortisation for the year	19.72	1.16	20.88
Disposals during the year	-	-	-
Accumulated depreciation and impairment as at 31 March, 2020	28.02	2.26	30.28
As at 31 March, 2020	121.53	5.81	127.34
Additions during the year	36.15	-	36.15
Disposals during the year	-	-	-
As at 31 March, 2021	157.68	5.81	163.49
Accumulated depreciation and impairment as at 1 April, 2020	28.02	2.26	30.28
Additions during the year	28.93	1.16	30.09
Disposals during the year	-	-	-
Accumulated depreciation and impairment as at 31 March, 2021	56.95	3.42	60.37
Net carrying amount as at 31 March, 2021	100.73	2.39	103.12
Net carrying amount as at 31 March, 2020	93.51	3.55	97.06



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March , 2020

14. Other non-financial assets

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Deposit with service tax authorities paid under protest	76.25	76.25
Prepaid expenses	81.91	50.68
Advance towards expenses	35.63	19.60
Total	193.79	146.53

15. Trade Payables

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Trade payables		
-Due to micro and small enterprises	14.20	17.01
-Due to creditors other than micro and small enterprises		
-Due to related parties	37.10	46.19
-Due to others	79,468.79	92,780.85
Total	79,520.09	92,844.05

16. Other Payables

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Creditors for capital expenditure		
-Due to micro and small enterprises	-	-
-Due to creditors other than micro and small enterprises	13.79	2.16
Total	13.79	2.16

17. Borrowings

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Lease Liability	38.40	96.35
Total	38.40	96.35

Fixed deposits has been lien marked against Overdraft facilities. However there is no amount overdrawn as on 31 March 2021 and 31 March 2020.

18. Others financial liabilities

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Payable to Employees	75.92	9.81
Total	75.92	9.81

19. Current tax liabilities (net)

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Provision for tax [net of advance tax of ₹14,964.14 lakh (31 March 2020: ₹15,233.57 lakh)]	654.15	622.36
Total	654.15	622.36



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2020

20. Provisions

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Provision for employee benefits		
Gratuity payable (funded) (refer note 39)	80.65	8.06
Provision for compensated absences	30.82	20.14
Provision for bonus	6,455.70	3,133.67
	6,567.17	3,161.87
Other provisions		
Provision for litigation	39.06	39.06
	39.06	39.06
Total	6,606.23	3,200.93

21. Others non-financial liabilities

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Others		
-Statutory dues	2,940.72	1,005.20
-Advance from customers	-	0.31
Income received in advance	20.00	-
Total	2,960.72	1,005.51

22. Share capital

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Authorised share capital		
175,000,000 (31 March 2020: 175,000,000) equity shares of ₹10/- each)	17,500.00	17,500.00
Issued share capital		
73,500,000 (31 March 2020: 73,500,000) equity shares of ₹10/- each)	7,350.00	7,350.00
Subscribed and fully paid-up shares		
73,500,000 (31 March 2020: 73,500,000) equity shares of ₹10/- each)	7,350.00	7,350.00

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

Equity shares

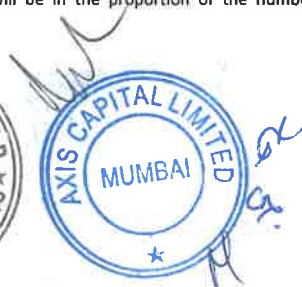
	31 March 2021		31 March 2020	
	No.	(₹ in lakhs)	No.	(₹ in lakhs)
At the beginning of the year	7,35,00,000	7,350.00	7,35,00,000	7,350.00
Issued during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Outstanding at the end of the year	7,35,00,000	7,350.00	7,35,00,000	7,350.00

(b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2021, the amount of per share dividend recognized as distributions to equity shareholders was ₹6 [31 March 2020: ₹5.75/- (including interim dividend of ₹1.25)].

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of the number of shares held by the shareholders.



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2020

(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:

Name of shareholder	31 March 2021		31 March 2020	
	No.	% of holding	No.	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2020: 73,500,000) equity shares of ₹10/- each)	73,50,00,000	100%	73,50,00,000	100%

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

Name of shareholder	31 March 2020		31 March 2019	
	No.	% of holding	No.	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2020: 73,500,000) equity shares of ₹10/- each)	7,35,00,000	100%	7,35,00,000	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.

(e) Proposed dividends on Equity shares

The Board proposed dividend on equity shares after the balance sheet date.

	For the year ended	For the year ended
	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
Proposed dividend on equity shares for the year ended on 31 March 2021: ₹2.70 per share (31 March 2020: ₹6/- per share)	1,984.50	4,410.00
Total	1,984.50	4,410.00

23. Other equity

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
General Reserve		
Balance at the beginning of the year	1,292.37	1,292.37
Add: Addition during the year	-	-
Balance as at end of the year	1,292.37	1,292.37
Retained earnings		
Balance at the beginning of the year	27,621.40	26,041.41
Add: Profit for the current year	13,844.40	6,638.82
Add: Other Comprehensive Income / (loss) for the year (net of tax)	(7.01)	36.14
Less: Dividend paid	(4,410.00)	(4,226.25)
Less: Dividend Distribution Tax	-	(868.72)
Balance as at end of the year	37,048.79	27,621.40
Contribution from Shareholders		
Balance at the beginning of the year	3,402.79	-
Add: Addition during the year	2,720.38	3,402.79
Balance as at end of the year	6,123.17	3,402.79
Foreign Currency Translation Reserve		
Balance at the beginning of the year	23.24	(12.81)
Add: Addition during the year	(12.97)	36.05
Balance as at end of the year	10.27	23.24
Total	44,474.60	32,339.80

Nature and purpose of the reserve

General Reserve

General Reserve was created earlier for specific purpose and are available for distribution to shareholders as dividend.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders as dividend.



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2020

Other Comprehensive Income

Other Comprehensive Income consists of income that will not be reclassified to Profit and Loss.

Contribution from Shareholders

Contribution from Shareholders represents fair value of the employee stock option plan. These options are Issued by ABL Employee Welfare Trust ("the Trust") in consultation with Axis Bank Limited ("the Ultimate Holding Company")

Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognized directly in the other comprehensive Income and accumulated in foreign currency translation reserve.

24. Revenue from operations

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
Fees from advisory services and other professional services	24,097.87	12,990.82
Brokerage income	13,969.31	11,077.10
Other operating income		
-Profit on sale of devolved securities/dealing error	-	6.67
-Interest Income on margin money funding	2.97	2.98
Total	38,070.15	24,077.57

25. Other income

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
(i) Interest income		
Interest on deposit with banks	2,126.08	2,092.60
Interest Income on Insurance Money Market Accounts (IMMA)	0.36	1.16
Interest on staff loan and deposits	1.20	1.08
	<u>2,127.64</u>	<u>2,094.84</u>
(ii) Net gain/(loss) on fair value instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	349.38	531.54
Total gain/(loss) on fair value changes	<u>349.38</u>	<u>531.54</u>
Fair value changes:		
Realised	349.38	410.74
Unrealised	-	120.80
Total gain/(loss) on fair value changes	<u>349.38</u>	<u>531.54</u>
(iii) Miscellaneous income		
Reversal of provision/liability no longer required	141.81	329.71
Miscellaneous Income	4.63	11.98
Foreign exchange gain / (loss)	-	7.71
	<u>146.43</u>	<u>349.40</u>
Total	2,623.46	2,975.78

26. Finance costs

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
On financial liabilities measured at amortised cost		
Interest on lease payment	5.45	10.36
Other interest expenses		
Interest on overdraft	37.33	47.29
Interest on income tax expenses	84.81	38.93
Total	127.59	96.58



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2020

27. Impairment of financial instruments

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
On financial instrument measured at amortised cost		
Trade Receivables		
- Provision for bad and doubtful debts	162.40	101.45
- Bad debts written off	25.00	0.05
- Reversal of provision of doubtful debts	(225.31)	(37.14)
Total	(37.91)	64.36

28. Employee benefits expense

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
Salaries, wages and bonus	12,233.83	7,855.89
Contribution to provident and other funds	184.29	131.33
Share based payments to employees (Refer to Note No 45)	2,720.38	3,402.79
Gratuity expense (Refer to Note No 39)	73.64	54.32
Staff welfare expenses	126.59	170.45
Total	15,338.73	11,614.78



29. Depreciation and amortization expense

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
Depreciation of property, plant and equipment	115.79	101.61
Amortization of intangible assets	30.09	20.88
Total	145.88	122.49

30. Other expenses

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
Stamp duty	196.07	277.08
Trade confirmation charges	549.78	504.58
Brokerage expenses	1,519.48	618.49
Stock exchange expenses	577.77	484.68
Printing and stationary*	16.23	22.38
Electricity & water charges	25.28	74.82
Rent	566.65	680.57
Repairs & maintenance - others	63.90	141.50
CSR expenditure (Refer to Note No 31)	274.37	321.55
Insurance	10.04	8.99
Rates and taxes	21.22	39.12
Professional fees*	947.19	798.31
Office expenses*	202.19	145.15
Deputation expenses	191.83	209.47
Telephone, fax & internet	84.87	58.01
Foreign exchange loss	0.48	-
Loss on sale of devolved securities/dealing error	9.33	-
Travelling & conveyance expenses	4.86	242.49
Director's sitting fees	24.50	17.50
Auditors' fees and expenses (Refer Note 30.1 below)	32.62	32.52
Loss on fair value of staff loans and deposits	1.48	-
Subscription expenses	125.49	121.32
Miscellaneous expenses	182.30	285.80
Total	5,627.93	5,084.33

*includes direct expenses pertaining to advisory services and other professional services amounting to ₹95.63 lakhs (Previous Year: ₹13.92 lakhs)

30.1 Auditors' fees and expenses

	For the year ended 31 March 2021 (₹ in lakhs)	For the year ended 31 March 2020 (₹ in lakhs)
Auditors remuneration:		
- For audit	23.28	22.98
- For other services	8.10	9.30
- For reimbursement of expenses	1.25	0.25
	32.62	32.52



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Notes to consolidated financial statements for the year ended 31 March, 2021

31 Details of CSR expenditure:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Gross amount required to be spent by the Group during the year	274.37	321.55
b) Amount spent during the year	274.37	321.55
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	274.37	321.55

32 Income Tax Expense:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current tax		
Current tax on profits for the year	5,687.56	3,487.46
Adjustments for current tax of prior years	(18.96)	(77.13)
Total Current Tax	5,668.60	3,410.33
Deferred tax expense (income)		
Increase in deferred tax assets (Refer Note 33)	(21.61)	21.66
Total deferred tax expense/(income)	(21.61)	21.66
Total tax expense	5,646.99	3,431.99

32.1 Reconciliation of effective tax rate:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2020 is as follows:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit before tax expenses	19,491.40	10,070.81
Enacted income tax rate in India applicable to the Group is 25.168%	4,905.60	2,534.62
Tax effect of:		
Remeasurement of deferred tax due to change in rate	-	12.89
Capital gain on sale of shares	(8.72)	(4.12)
Remeasurement of gratuity through OCI	(1.76)	9.10
Other Non-deductible expenses:		
Share Based Payments to employees	684.67	856.41
Interest on income tax expenses	21.34	9.80
CSR expenditure	69.05	80.93
Others	(4.23)	9.49
Tax in respect of earlier years	(18.96)	(77.13)
Total tax expense	5,646.99	3,431.99
Effective tax rate	28.97%	34.08%

The Parent Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.



33 Deferred Tax Asset (Net)

Component and Movement in Deferred Tax Assets (Net):

(₹ in lakhs)

Deferred tax (asset) / liability	As at 31 March, 2020	Recognised in Profit and Loss Expense/ (Gain)	As at 31 March, 2021
Provision for Impairment Loss	42.79	15.83	26.96
Difference in WDV as per Books of Account and Income Tax	6.68	1.78	4.90
Fair value adjustment of Financial Instruments	(30.40)	(30.40)	(0.00)
Impact on Revenue recognised under Ind AS 115	(0.00)	(5.03)	5.03
Valuation on interest free loans and deposits	0.26	(0.30)	0.56
Disallowance under section 43B of the Income Tax Act, 1961	5.07	(2.69)	7.76
Difference in lease asset amortisation and rent expenses	-	(0.80)	0.80
Total	24.40	(21.61)	46.01

(₹ in lakhs)

Deferred tax (asset) / liability	As at 31 March, 2019	Recognised in Profit and Loss Expense/ (Gain)	As at 31 March, 2020
Provision for Impairment Loss	37.00	(5.79)	42.79
Difference in WDV as per Books of Account and Income Tax	12.83	6.15	6.68
Fair value adjustment of Financial Instruments	(3.34)	27.06	(30.40)
Impact on Revenue recognised under Ind AS 115	(4.16)	(4.16)	(0.00)
Valuation on interest free loans and deposits	1.05	0.79	0.26
Disallowance under section 43B of the Income Tax Act, 1961	2.68	(2.39)	5.07
Total	46.06	21.66	24.40

Amounts recognised in respect of current tax / deferred tax directly in equity:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	-	-



Notes to consolidated financial statements for the year ended 31 March, 2021

34 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	(₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit attributable to the equity holders of the company (A) (₹ in lakhs)	13,844.41	6,638.82
Weighted Average number of shares issued for calculating Basic EPS (B)	735	735
Adjustment for calculation of Diluted EPS (c)	-	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	735	735
Basic EPS in ₹	18.84	9.03
Diluted EPS in ₹	18.84	9.03

35 Contingent liabilities & commitments

Particulars	(₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Contingent Liabilities		
(A) Claims against the Group not acknowledged as debts*	25.00	25.00
(B) Tax Demands under litigations #		
For Service Tax	2,135.07	2,135.07
For Income Tax	3.13	3.13
For Property Tax	63.07	63.07
(C) Outstanding bank guarantee	-	-
Total Contingent Liabilities	2,226.27	2,226.27
Commitments		
(A) Capital commitments	17.58	29.94
Total Commitments	17.58	29.94

*The Group is facing certain litigations with respect to alleged non disclosures in respect of investment banking jobs handled by the Group. The Management believes that its position will likely be upheld and the outcome of these proceeding will not have a material adverse effect on the Group's financial position and result of operations.

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



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Notes to consolidated financial statements for the year ended 31 March, 2021

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals.

36 A. Expenditure in foreign currency (accrual basis) (₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Deputation expenses	191.83	209.47
Professional Fees	375.82	273.45
Travelling and conveyance	1.84	59.96
Trade Confirmation charges	111.17	168.33
Others	116.20	89.97

B. Earnings in foreign currency for the year ended 31 March , 2021: Rs. 1080.22 lakhs (31 March, 2020: Rs. 494.19 lakhs) from advisory services and other professional services.

37 Derivatives

The Group has no transactions / exposure in derivatives in the current and previous year.

38 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

As at 31 March ,2021

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	6.18	451.80
	GBP	0.06	5.89
Trade Payables	USD	0.48	34.76
	USD	0.02	1.45
Advances	USD	0.004	0.37
	GBP	0.004	0.37
Bank Balances	USD	1.01	74.08
Investments	USD	4.63	338.66
Other financial assets	USD	0.11	7.77

As at 31 March ,2020

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	1.45	109.87
Trade Payables	USD	0.14	17.68
Other Payables	USD	0.09	-
Bank Balances	USD	0.50	37.92
Investments	USD	4.63	349.96
Other financial assets	USD	0.14	10.22



Notes to consolidated financial statements for the year ended 31 March, 2021

39 Employee Benefits

A Short term employee benefit obligations

The compensated absences charge for the year ended 31 March, 2021 based on actuarial valuation amounting to ₹10.68 lakhs (31 March, 2020 ₹12.52 lakhs) has been charged in the Statement of Profit and Loss.

B Post Employment Obligations

i. Defined contribution plans

Employer's Contribution to Provident Fund

The Group has recognized the following amount in the Statement of Profit and Loss under the head Contribution to provident and other funds in Employee Benefit Expense for the year:

The expense recognised during the year towards defined contribution plan -

Particulars	(₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Employer's Contribution to Provident Fund	184.29	131.33

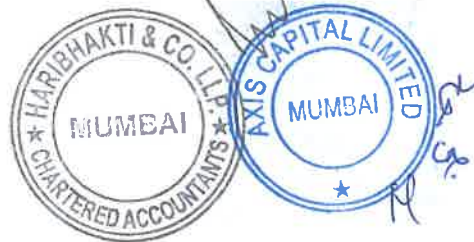
ii. Defined benefit plans

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded with an insurance company in the form of a qualifying insurance policy.

Particulars	(₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Present Value of Benefit Obligation at the beginning of the year	977.06	971.27
Interest Cost	64.39	72.65
Current Service Cost	73.11	55.02
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.43	0.24
(Benefit Paid From the Fund)	(130.72)	(86.23)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	5.30	44.83
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.41	(80.72)
Present Value of Benefit Obligation at the End of the year	992.98	977.06

Particulars	(₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Fair Value of Plan Assets at the beginning of the year	969.00	980.62
Interest Income	63.86	73.35
Contributions by the Employer	8.06	0.77
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	0.43	0.24
(Benefit Paid from the Fund)	(130.72)	(86.23)
Return on Plan Assets, Excluding Interest Income	1.70	0.25
Fair Value of Plan Assets at the end of the year	912.33	969.00



39 Employee Benefits (Contd.)

Amount recognised in the Balance Sheet			(₹ in lakhs)
Particulars	As at 31 March, 2021	As at 31 March, 2020	
(Present Value of Benefit Obligation at the end of the year)	(993.00)	(977.07)	
Fair Value of Plan Assets at the end of the year	912.34	969.01	
Funded Status (Surplus/ (Deficit))	(80.65)	(8.06)	
Net (Liability)/Asset Recognized in the Balance Sheet	(80.65)	(8.06)	

Net Interest Cost for the Current year			(₹ in lakhs)
Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020	
Present Value of Benefit Obligation at the Beginning of the year	977.06	971.27	
(Fair Value of Plan Assets at the Beginning of the year)	(969.00)	(980.62)	
Net Liability/(Asset) at the Beginning	8.06	(9.35)	
Interest Cost	64.39	72.65	
(Interest Income)	(63.86)	(73.35)	
Net Interest Cost for Current year	0.53	(0.70)	

Expenses Recognised in the Statement of Profit or Loss for Current year			(₹ in lakhs)
Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020	
Current Service Cost	73.11	55.02	
Net Interest Cost	0.53	(0.70)	
Past Service Cost	-	-	
Expenses Recognized	73.64	54.32	

Expenses Recognised in the Other Comprehensive Income (OCI) for Current year			(₹ in lakhs)
Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020	
Current Service Cost	8.71	(35.89)	
Net Interest Cost	(1.70)	(0.25)	
Past Service Cost	-	-	
Expenses Recognized	7.01	(36.14)	

Balance Sheet Reconciliation			(₹ in lakhs)
Particulars	As at 31 March, 2021	As at 31 March, 2020	
Opening Net Liability	8.06	(9.35)	
Expenses Recognized in Statement of Profit or Loss	73.64	54.32	
Expenses Recognized in OCI	7.01	(36.14)	
Net Liability/(Asset) Transfer In	-	-	
Net (Liability)/Asset Transfer Out	-	-	
(Benefit Paid Directly by the Employer)	-	-	
(Employer's Contribution)	(8.06)	(0.77)	
Net Liability/(Asset) Recognized in the Balance Sheet	80.65	8.06	

Categories of plan assets are as follows:			(₹ in lakhs)
Particulars	As at 31 March, 2021	As at 31 March, 2020	
Insurer managed funds	912.33	969.00	
Total	912.33	969.00	

Amounts for the current and previous four years are as follows:						(₹ In lakhs)
Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	
Defined benefit obligation	993.00	977.07	971.27	1,047.49	842.94	
Plan assets	912.34	969.01	980.62	811.98	763.17	
Surplus / (deficit)	(80.65)	(8.06)	9.35	(235.51)	(79.77)	
Experience adjustments on plan liabilities	3.41	(80.72)	(116.72)	(289.24)	(33.12)	
Experience adjustments on plan assets	-	8.98	(1.16)	14.27	(11.00)	



39 Employee Benefits (Contd.)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Expected return on plan assets	6.59%	7.48%
Discount rate	6.59%	7.48%
Salary growth rate	7.00%	7.00%
Withdrawal rate (per annum)	10.00%	10.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	As at	As at	As at	As at
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Discount rate- Delta Effect of 0.5%	(25.96)	(25.70)	27.37	27.12
Salary growth rate- Delta Effect of 0.5%	13.36	13.31	(13.33)	(13.33)
Attrition Rate- Delta Effect of 0.5%	4.36	4.60	(4.59)	(4.85)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2022 are ₹161.49 lakhs

The weighted average duration of the defined benefit obligation is 7 years (31 March, 2020 – 7 years).

Maturity Analysis of the Benefit Payments from the Fund

	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
31 March 2021						
Defined benefit obligation (gratuity)	113.70	107.16	138.36	111.51	112.45	419.84
31 March 2020						
Defined benefit obligation (gratuity)	126.58	105.85	100.33	126.40	102.01	414.54



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

40 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	(₹ in lakhs)					
Financials Assets						
Cash and cash equivalents	9,281.51	-	9,281.51	5,775.13	-	5,775.13
Bank balances other than cash and cash equivalents	17,880.82	14,571.30	32,452.12	5,568.18	13,850.84	19,419.02
Trade Receivables	85,979.30	-	85,979.30	88,930.64	-	88,930.64
Loans	1.11	2.42	3.53	-	-	-
Investments	338.66	12,092.36	12,431.02	11,870.76	-	11,870.76
Other Financial Assets	230.48	180.17	410.65	10,005.00	199.72	10,204.72
Sub-Total	1,13,711.88	26,846.25	1,40,558.13	1,22,149.71	14,050.56	1,36,200.27
Non Financials Assets						
Inventories	-	-	-	-	-	-
Current Tax Assets (Net)	-	672.57	672.57	-	801.44	801.44
Deferred Tax Assets (Net)	-	46.01	46.01	-	24.40	24.40
Property, Plant and Equipment	-	118.32	118.32	-	185.31	185.31
Other Intangible assets	-	1.96	1.96	-	15.96	15.96
Intangible assets under development	-	103.12	103.12	-	97.06	97.06
Other Non- Financial Assets	116.78	77.01	193.79	66.68	79.85	146.53
Sub-Total	116.78	1,018.99	1,135.77	66.68	1,204.02	1,270.70
Total Assets	1,13,828.66	27,865.24	1,41,693.90	1,22,216.39	15,254.57	1,37,470.96



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

40 Maturity analysis of assets and liabilities (Contd.)

(₹ in lakhs)

Liabilities	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Payables						
I) Trade payables						
Due to micro and small enterprises	14.20	-	14.20	17.01	-	17.01
Due to creditors other than micro and small enterprises	79,505.89	-	79,505.89	92,827.03	-	92,827.03
II) Other payables						
Due to micro and small enterprises	-	-	-	-	-	-
Due to creditors other than micro and small enterprises	13.79	-	13.79	2.16	-	2.16
Borrowings (Other than Debt Securities)	38.40	-	38.40	55.39	40.96	96.35
Other financial liabilities	75.92	-	75.92	9.81	-	9.81
Sub-Total	79,648.20	-	79,648.20	92,911.41	40.96	92,952.36
Non-Financial Liabilities						
Current tax liabilities(Net)	-	654.15	654.15	-	622.36	622.36
Provisions	6,606.23	-	6,606.23	2,794.45	406.48	3,200.93
Other non-financial liabilities	2,960.72	-	2,960.72	1,005.51	-	1,005.51
Sub-Total	9,566.95	654.15	10,221.10	3,799.96	1,028.84	4,828.80
Total Liabilities	89,215.14	654.15	89,869.30	96,711.35	1,069.80	97,781.15



Notes to consolidated financial statements for the year ended 31 March, 2021

41 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020. The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders. The Group's adjusted net debt to equity ratio is as follows:-

Particulars	(₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Debt (long-term and short-term borrowings including current maturities)	38.40	96.35
Less: cash and bank balances	41,733.63	25,194.15
Adjusted net debt	(41,695.23)	(25,097.80)
Total Equity	51,824.62	39,689.81
Adjusted net debt to adjusted equity ratio	NA	NA

42 Events after reporting date

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

43 Change in liabilities arising from financing activities

Particulars	(₹ in lakhs)			
	01 April, 2020	Cash Flows	Others	31 March, 2021
Borrowings	-	-	-	-
Lease Liability	96.35	(55.39)	(2.56)	38.40
Total liabilities from financing activities	96.35	(55.39)	(2.56)	38.40

Particulars	(₹ in lakhs)			
	01 April, 2019	Cash Flows	Others	31 March, 2020
Borrowings	1,954.43	(1,954.43)	-	-
Lease Liability	143.94	(47.59)	-	96.35
Total liabilities from financing activities	2,098.37	(2,002.02)	-	96.35



44 Related Party Disclosures

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Group are as follows:

A Name of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	Axis Bank Limited ("ABL")
	Axis Finance Limited ("AFL")
Fellow Subsidiaries with whom transactions have taken	Axis Securities Limited ("ASL")
	Axis Trustee Services Limited ("ATSL")
	Mr. Amitabh Chaudhary (Chairperson w.e.f. 17th January, 2019)
Key Management Personnel (KMP) and its relatives	Mr. Salil Pitale (Joint Managing Director and Co CEO)
	Mr. Chirag Negandhi (Joint Managing Director and Co CEO)
	Mr. Rajeev Anand (Director)
	Mr. Samir Barua (Independent Director)
	Mr. Bahram Vakil (Independent Director)
	Ms. Sutapa Banerjee (Independent Director)

B Details of related party transactions:

(₹ In lakhs)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Income				
Income	29.27	-	-	29.27
Brokerage Income	(9.47)	-	-	(9.47)
Brokerage Income (ASL)	-	3.21	-	3.21
Brokerage Income (ATSL)	-	15.01	-	15.01
Bank interest	1,005.28	-	-	1,005.28
	(936.28)	-	-	(936.28)
Advisory Income	2,507.92	-	-	2,507.92
	(932.87)	-	-	(932.87)
Reimbursement of expense received	18.79	-	-	18.79
	(26.43)	-	-	(26.43)
Expenses				
Remuneration of Key Management Personnel and its relatives#				
Mr. Chirag Negandhi	-	-	401.50	401.50
	-	-	(369.73)	(369.73)
Mr. Salil Pitale	-	-	401.02	401.02
	-	-	(366.03)	(366.03)
Reimbursement of expense paid	1,033.09	-	0.39	1,033.49
	(1,242.83)	-	(9.46)	(1,252.27)
Royalty charges paid	57.08	-	-	57.08
	(36.10)	-	-	(36.10)
Interest expense	37.33	-	-	37.33
	(47.29)	-	-	(47.29)



44 Related Party Disclosures (Contd.)

(₹ In lakhs)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Bank charges	5.23 (4.34)	-	-	5.23 (4.34)
Demat charges	1.06 (0.57)	-	-	1.06 (0.57)
Brokerage expense	9.76 (5.68)	-	-	9.76 (5.68)
Brokerage expense (ASL)	-	0.002 (11.59)	-	0.002 (11.59)

Other Transactions				
Dividend paid	4,410.00 (4,226.25)	-	-	4,410.00 (4,226.25)

Note: Figures in bracket pertain to the previous year.

#Deferred bonus considered in remuneration on payment basis.

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

C Key management personnel compensation pertaining to ESOP and other employee benefits:

(₹ In lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Short Term Employee Benefits/Long term retirement benefits*	-	-
Share Based Payments		
Mr. Chirag Negandhi	263.98	330.30
Mr. Salil Pitale	263.98	330.30
Total	527.96	660.60

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

D Details of balances outstanding for related party transactions:

(₹ In lakhs)

Name of the related party	Nature of Transaction	As at 31 March, 2021	As at 31 March, 2020
Holding Company	Fixed deposit (Including Interest accrued)	13,722.49	9,458.83
	Share Capital	7,350.00	7,350.00
	Current account	9,219.57	5,664.56
	Overdraft Account Balance*	-	-
	Other payables	26.10	46.08
	Tarade receivable	1,547.00	9.27

* Closing credit line obtained by the Group from Axis Bank Limited is ₹45,000 lakhs (Previous Year: ₹20,000 lakhs)

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



45 Share based payments

2019 - Employee Stock Option Plan

ABL Employee Welfare Trust ("the Trust") in consultation with Axis Bank Limited ("the Ultimate Holding Company") has granted equity options of Axis Bank Limited to the New Executive employees of the Group under the Employee Stock Option Plan 2019 ("ESOP 2019") with effect from various date as given below to enable the employees of the Group to participate in the future growth and success of the Group. The Ultimate Holding Company has not charged any cost to the Group relating to ESOPs granted to the employees of the Group.

These options which confer a right but not an obligation on the employee to apply for equity shares of the Ultimate Holding Company once the terms and conditions set forth in the Employee Stock Option Plan 2019 ("ESOP 2019") and the option agreement have been met. Vesting of options would be subject to continued employment with the Group and meeting the requisite performance parameters.

The Company has below share based payment arrangement under ESOP 2019 till 31 March 2021

Particulars	Date of grants	Number of option granted	Exercise price (In ₹)
Grant I	30 August 2019	11,55,000	-
Grant II	6 July 2020	48,000	-
Grant III	1 October 2020	75,000	-
Grant IV	14 November 2020	11,800	-
Grant V	15 March 2021	3,334	-

Conditions

Vesting condition Continued employment with the Group and fulfilment of performance parameters

Exercise period Exercisable after vesting period

Method of settlement Equity

Vesting schedule

Particulars	Grant I to V	Number of Option vested and Exercised	Number of Option expect to be vested
As at 30 April 2020	30%	3,39,000	-
As at 30 April 2021	30% for Grant I and 50% of Grant II to IV	-	3,76,400
As at 30 April 2022	40% of Grant I, 50% of Grant II to IV and 100% of Grant V	-	4,80,734

Reconciliation of outstanding employee stock options:

For the year ended 31 March 2021

Particulars	Shares arising out of options	Range of exercise prices (In ₹)	Weighted average exercise price (In ₹)	Weighted average remaining contractual life
Outstanding as at 01 April 2020	11,35,000	-	-	1.18 years
Add: Options granted during the year	1,38,134	-	-	1.15 years
Less: Options cancelled during the year	77,000	-	-	-
Less: Options exercised during the year	3,39,000	-	-	-
Options outstanding at 31 March 2021	8,57,134	-	-	0.64 years
Exercisable options at 31 March 2021	-	-	-	-

For the year ended 31 March 2020

Particulars	Shares arising out of options	Range of exercise prices (In ₹)	Weighted average exercise price (In ₹)	Weighted average remaining contractual life
Outstanding as at 01 April 2019	-	-	-	-
Add: Options granted during the year	11,55,000	-	-	1.77 years
Less: Options cancelled during the year	20,000	-	-	1.77 years
Less: Options exercised during the year	-	-	-	-
Options outstanding at 31 March 2020	11,35,000	-	-	1.18 years
Exercisable options at 31 March 2020	-	-	-	-



45 Share based payments (contd.)

Valuation of stock option

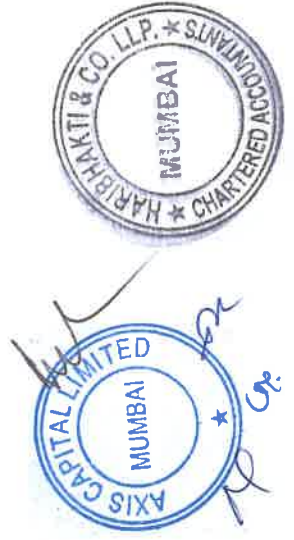
The Group follows fair value based method of accounting as described under Ind AS 102 Share based payments for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year and the assumptions used in calculating the grant date fair value is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Particulars	Grant Date	Share Price as on grant date (₹ per share)	Exercise Price (₹ per share)	Expected Volatility Annualised Volatility %	Expected Life in Years	Expected Dividend Yield %	Risk-free interest rate (based on Government Bonds)	Fair vale as on grant date (₹ per share)
Grant I								
Vesting Date 30 April, 2020	30-Aug-19	663.90	-	28.00%	0.67	0.71%	5.87%	660.75
Vesting Date 30 April, 2021	30-Aug-19	663.90	-	28.00%	1.67	0.71%	5.93%	656.07
Vesting Date 30 April, 2022	30-Aug-19	663.90	-	28.00%	2.67	0.71%	6.10%	651.43
Grant II								
Vesting Date 30 April, 2021	06-Jul-20	434.00	-	30.00%	0.82	0.71%	3.72%	431.48
Vesting Date 30 April, 2022	06-Jul-20	434.00	-	30.00%	1.82	0.71%	4.09%	428.43
Grant III								
Vesting Date 30 April, 2021	01-Oct-20	443.70	-	30.00%	0.58	0.71%	3.73%	441.88
Vesting Date 30 April, 2022	01-Oct-20	443.70	-	30.00%	1.58	0.71%	4.31%	438.75
Grant IV								
Vesting Date 30 April, 2021	14-Nov-20	610.35	-	30.00%	0.46	0.71%	3.59%	608.36
Vesting Date 30 April, 2022	14-Nov-20	610.35	-	30.00%	1.46	0.71%	3.59%	604.06
Grant V								
Vesting Date 30 April, 2022	15-Mar-21	744.40	-	30.00%	1.13	0.71%	4.10%	738.45

Summary of Share based payment expense recognised in Statement in Profit and Loss

Particulars	For the year ended	
	31 March, 2021	31 March, 2020
2019 ESOP plan	2,720.38	3,402.79

(₹ in lakhs)



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

46 Segment Reporting

Basis of Segment

The Group has a single reporting segment and hence no separate disclosure has been provided. The Managing Directors and CEO of the Company has been considered as the chief operating decision maker (CODM).

(₹ in lakhs)

Disclosure on Geographical Segment	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Revenue from customers outside India	1,064.23	484.16
Revenue from customers within India	37,005.92	23,593.41
Total	38,070.15	24,077.57

Information about major customers: No single customer represents 10% or more of the Group's total revenue during the year ended 31 March, 2021 and 31 March, 2020.

- 47 Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.20	17.01
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	14.20	17.01



48 Revenue from Contracts with Customers (Contd.)

I Qualitative Disclosures :

The Group is engaged in the business institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head:

A Brokerage Income

Brokerage income in relation to stock broking activity is recognized as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis.

B Income from Investment Banking

Income from Investment Banking consists of Income from issue management and financial advisory services, underwriting commission and Selling commissions/brokerage generated from primary market operations.

a Issue Management and Advisory Income

In case of these issue management and advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer.

Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

b Underwriting Commission

The Group recognises underwriting commission over a period of satisfaction of performance obligation as it is continuing service.

c Selling commissions/brokerage generated from primary market operations

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 Group, once the allotment of securities are completed.

d Transaction price allocated to the remaining performance obligations

The Group has elected to apply the practical expedient under Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

e Contract Liability :An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Contract Liabilities are recognized as revenue on completing the performance obligation or over a period of time in case of continuing contracts.



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

48 Revenue from Contracts with Customers (Contd.)

II Quantitative Disclosures:

a The Group has recognised following amounts relating revenue in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Revenue from contracts with customers	38,067.18	24,067.91
Other operating income	2.97	9.66
Total Revenue	38,070.15	24,077.57
Impairment loss on receivables	(37.91)	64.36

b Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major services and timing of revenue recognition:

(₹ in lakhs)

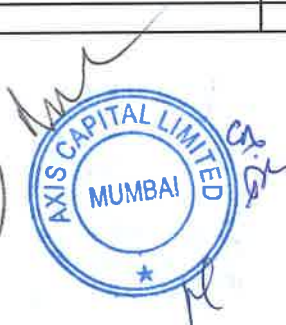
Particulars	For the year ended 31 March , 2021	For the year ended 31 March , 2020
Advisory services and other professional services	24,100.84	12,945.10
Underwriting Commission	-	55.37
Brokerage Income	13,969.31	11,077.10
Total	38,070.15	24,077.57
Timing of revenue recognition		
At a point in time	38,070.15	24,022.20
Over a period of time	-	55.37
Total	38,070.15	24,077.57

c Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Receivables	85,979.30	88,921.37
Contract Liability	79,260.15	92,441.30



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

49 Fair Value Measurement

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Assets and Liabilities as at 31 March, 2021	Carrying Amount				Fair Value level wise for instruments measured at Fair value through profit and loss account/Fair value through other comprehensive Income			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	9,281.51	9,281.51	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	32,452.12	32,452.12	-	-	-	-
Trade Receivables	-	-	85,979.30	85,979.30	-	-	-	-
Loans	-	-	3.53	3.53	-	-	-	-
Investments:								
CitiBusiness Insured money market account (IMMA)	-	-	338.66	338.66	-	-	-	-
Equity Instruments in unlisted companies	-	12,092.36	-	12,092.36	-	-	12,092.36	12,092.36
Other Financials Assets	-	-	410.65	410.65	-	-	-	-
Total	-	12,092.36	1,28,465.76	1,40,558.13	-	-	12,092.36	12,092.36
Financial Liabilities								
Payables								
Trade payables	-	-	79,520.09	79,520.09	-	-	-	-
Other payables	-	-	13.79	13.79	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	38.40	38.40	-	-	-	-
Other financial liabilities	-	-	75.92	75.92	-	-	-	-
Total	-	-	79,648.20	79,648.20	-	-	-	-



Financial Assets and Liabilities as at 31 March, 2020	Carrying Amount				Fair Value level wise for instruments measured at Fair value through profit and loss account/Fair value through other comprehensive Income			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	5,775.13	5,775.13	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	19,419.02	19,419.02	-	-	-	-
Trade Receivables	-	-	88,930.64	88,930.64	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Investments:								
Mutual funds	11,520.80	-	-	11,520.80	11,520.80	-	-	11,520.80
CitiBusiness Insured money market account (IMMA)	-	-	349.96	349.96	-	-	-	-
Other Financials Assets	-	-	10,204.72	10,204.72	-	-	-	-
Total	11,520.80	-	1,24,679.46	1,36,200.27	11,520.80	-	-	11,520.80
Financial Liabilities								
Payables								
Trade payables	-	-	92,844.04	92,844.04	-	-	-	-
Other payables	-	-	2.16	2.16	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	96.35	96.35	-	-	-	-
Other financial liabilities	-	-	9.81	9.81	-	-	-	-
Total	-	-	92,952.36	92,952.36	-	-	-	-



49 Fair Value Measurement (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets for the periods 31 March 2021:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	-	-
Acquisitions during the year	12,092.36	-
Disposals during the year	-	-
Fair value gains/(losses) recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	-	-
Closing balance	12,092.36	-

Nature of the instrument	Fair Value As at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021		Sensitivity Impact for the year ended March 31, 2020	
				FV Increase		FV Decrease	
				FV Increase	FV Decrease	FV Increase	FV Decrease
Equity Instruments in unlisted companies	Fair value estimated by the management considering current market conditions	Impact estimated by the management considering current market conditions	5%	604.62	(604.62)	-	-

(₹ in lakhs)

Sensitivity for instruments:



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

Financial assets and financial liabilities measured at amortised cost

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Amortised Cost	Fair Value	Amortised Cost	Fair Value
Financial Assets				
Cash and cash equivalents	9,281.51	9,281.51	5,775.13	5,775.13
Bank balances other than cash and cash equivalents	32,452.12	32,452.12	19,419.02	19,419.02
Trade Receivables	85,979.30	85,979.30	88,930.64	88,930.64
Loans	3.53	3.53	-	-
Investments:				
CitiBusiness Insured money market account (IMMA)	338.66	338.66	349.96	349.96
Other Financials Assets	410.65	410.65	10,204.72	10,204.72
Total	1,28,465.77	1,28,465.77	1,24,679.47	1,24,679.47
Financial Liabilities				
Payables				
Trade payables	79,520.09	79,520.09	92,844.04	92,844.04
Other payables	13.79	13.79	2.16	2.16
Borrowings (Other than Debt Securities)	38.40	38.40	96.35	96.35
Other financial liabilities	75.92	75.92	9.81	9.81
Total	79,648.20	79,648.20	92,952.37	92,952.37

B Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other current bank balances and other financial liabilities including trade payables, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.
- The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other current bank balances and other financial liabilities including trade payables, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

C Hierarchy of fair values

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The fair value of all mutual funds is valued using the closing NAV as at the reporting period.

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

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



49 Fair Value Measurement (Contd.)

Valuation techniques used to determine fair value

Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Investment in Equity Instruments (Classified as level 3)

Fair value has been determined by using the following approaches:

The Company has purchased 3,83,76,257 equity shares having face value of ₹ 10 each of Max Life Insurance Limited at ₹ 31.51 per share on 26 March, 2021. The independent valuer has considered book value as fair value. Since this investment is made in unrelated party and at close to year end, the management has decided that book value reflects the fair value for this year.

Fair value of financial instruments carried at amortised cost

The carrying amount of financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Deposits

The fair value of deposits without defined maturities are the amounts payable on demand. For deposits with defined maturities, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Transfers between Level 1 and Level 2 and between Level 1 and Level 3

There were no transfers between level 1 and 2 and between Level 1 and Level 3 during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.



50 Financial Risk Management

The Group has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Group. Together they help in achieving the business goals and objectives consistent with the Group's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

A Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other Receivables

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	(₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Outstanding for a period not exceeding six months	85,772.40	88,917.37
Outstanding for a period exceeding six months	314.02	183.30
Gross Trade Receivables	86,086.42	89,100.67
Less: Impairment Loss	107.12	170.03
Net Trade Receivables	85,979.30	88,930.64

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Group's historical experience for customers. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

The Group has assessed credit risk on an individual basis for trade receivables.

The following table summarizes the changes in loss allowances measured using expected credit loss model on trade receivables.

Particulars	(₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Opening Provision	170.03	105.72
Provision during the year	162.40	101.45
Reversal of Provision	(225.31)	(37.14)
Closing Provision	107.12	170.03

ii. Cash and bank balances

The Group held cash and cash equivalent and other bank balance of ₹41,733.63 lakhs at 31 March, 2021 (₹25,194.15 lakhs at 31 March, 2020). The same are held with bank and financial institution counterparties with good credit rating. Also, Group invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Group to credit risk.



50 Financial Risk Management (Contd.)

iii. Loans

The Group has given loans to their staff and hence the Group do not foresee any credit risk and hence no impairment provision is made.

iv. Other Financial Assets

Other Financial Assets majorly consists of OPE recoverable from the clients . Provision for Impairment Loss for 31 March, 2021 - ₹ Nil (31 March, 2020 - ₹Nil)

B Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(₹ in lakhs)

Contractual maturities of financial liabilities 31 March, 2021	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	79,520.09	-	-	79,520.09
Other payables	13.79	-	-	13.79
Borrowings	41.89	-	-	41.89
Other financial liabilities	75.92	-	-	75.92
Total	79,651.68	-	-	79,651.68

(₹ in lakhs)

Contractual maturities of financial liabilities 31 March, 2020	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	92,826.36	-	-	92,844.04
Other payables	2.16	-	-	2.16
Borrowings	60.85	41.89	-	102.74
Other financial liabilities	9.81	-	-	9.81
Total	92,899.18	41.89	-	92,941.07



50 Financial Risk Management (Contd.)

C Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group’s exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

The Group is exposed to currency risk on account of its trade receivables in foreign currency. The functional currency of the Group is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2021 and 31 March, 2020 are as below:

Particulars	(₹ in lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Trade and Other Receivables	457.69	109.87
Trade and Other Payable	34.76	17.68
Bank Balances	74.08	37.92
Advances	1.82	-
Investments	338.66	349.96
Other financial assets	7.77	10.22

Year End Spot Rates

Particulars	As at	
	31 March, 2021	31 March, 2020
INR per USD	73.11	75.63
INR per GBP	100.77	93.53

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of sales.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period:

Particulars	(₹ in lakhs)	
	Foreign Currency Exposure (In lakhs)	
	March 31, 2021	March 31, 2020
1% Depreciation in INR-Impact on Profit and Loss/Equity	8.45	4.90
1% Appreciation in INR-Impact on Profit and Loss/Equity	(8.45)	(4.90)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long term debt obligation at floating interest rates. The Group’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



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Notes to consolidated financial statements for the year ended 31 March, 2021

50 Financial Risk Management (Contd.)

Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Floating rate borrowings	-	-

(iii) Price Risk

The Group's exposure to mutual fund price risk arises from investments held by the Group and classified in the balance sheet at fair value through profit or loss. The Group had invested in the highly liquid debt oriented funds during the year and redeemed all the units in the year itself. However, there is no closing balance of such mutual funds in the Group as on March 31, 2021, therefore the Group doesn't have a material price risk exposure.

Other Risk - Impact of Covid -19

The management believes that the financial assets are recoverable and there is no impact of ongoing COVID 19 on these balances as 31 March 2021. Please also refer Note No 54.



Notes to consolidated financial statements for the year ended 31 March, 2021

51 The Parent Company has received margin money in the form of securities from the clients in the normal course of business which are either pledged in favour of the Group or are transferred to the Group's Depository Participant account. Such securities are kept by the Group in a separate Depository Participant account maintained by the Group for all such purposes. However, with effect from 01 August 2020, as per SEBI circulars issued on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System, clients don't transfer their shares in brokers' pool account. Clients raise a pledge request with their depository participants in favour of Trading/Clearing Member who in turn re-pledges the same with clearing corporation with whom broker member is registered. Hence, there is no requirement to be pledge shares in favour of the Group or transfer to Group's pool account for margin purpose.

52 Disclosure related to Leases

A Additions to Right to Use

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Lease hold Property	-	-

B Carrying value of right of use assets at the end of the reporting period

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning of the year	96.35	143.94
Additions	-	-
Depreciation charge for the year	61.14	47.58
Balance at the end of the year	35.21	96.35

C Lease Liability as the end of the reporting period

(₹ in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning of the year	96.35	143.94
Additions	-	-
Finance cost accrued during the period	5.45	10.37
Deletions	2.56	-
Payment of Lease Liabilities	60.85	57.95
Balance at the end of the year	38.40	96.35



D Maturity analysis of lease liabilities

(₹ in lakhs)

Maturity analysis – contractual undiscounted cash flows	As at 31 March, 2021	As at 31 March, 2020
Less than one year	41.89	60.85
One to five years	-	41.89
More than five years	-	-
Total undiscounted lease liabilities at 31 March	41.89	102.74
Lease liabilities included in the statement of financial position at the year ended	38.40	96.35

E Amounts recognised in statement of profit or loss

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest on lease liabilities	5.45	10.37
Expenses relating to short-term leases	565.93	679.13
Expenses relating to leases of low-value assets	0.72	1.44
Total	572.11	690.94

F Amounts recognised in the statement of cash flows

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Operating Activity	566.65	680.57
Financial Activity	60.85	57.95
Total Cash outflow for leases	627.50	738.52

The discounting rate of 9% has been applied to lease liabilities recognised in the balance sheet as at the reporting date .

The Group does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



53 a) Entities included in consolidation

Name of entity	Principal place of business / country of origin	Subsidiary / Associate / Joint Venture	Percentage of	
			31 March 2021	31 March 2020
Axis Capital USA LLC	Delaware, United States of America	Subsidiary	100	100

b) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate.

As at 31 March 2021

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	(₹ in lakhs)	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated profit or loss	(₹ in lakhs)	As % of consolidated Share in Other Comprehensive Income	(₹ in lakhs)	As % of consolidated Total Comprehensive Income
Parent								
Axis Capital Limited	51,424.71	99.23%	13,820.64	99.83%	(7.01)	35.09%	13,813.64	99.92%
Subsidiaries outside India								
Axis Capital USA LLC	399.89	0.77%	23.76	0.17%	(12.97)	64.91%	10.78	0.08%
Total	51,824.60	100.00%	13,844.40	100.00%	(19.98)	100.00%	13,824.42	100.00%

As at 31 March 2020

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	(₹ in lakhs)	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated profit or loss	(₹ in lakhs)	As % of consolidated Share in Other Comprehensive Income	(₹ in lakhs)	As % of consolidated Total Comprehensive Income
Parent								
Axis Capital Limited	39,290.93	98.99%	6,655.44	100.25%	36.14	50.06%	6,691.58	99.71%
Subsidiaries outside India								
Axis Capital USA LLC	398.89	1.01%	(16.63)	-0.25%	36.05	49.94%	19.42	0.29%
Total	39,689.82	100.00%	6,638.82	100.00%	72.19	100.00%	6,711.01	100.00%



AXIS CAPITAL LIMITED

Notes to consolidated financial statements for the year ended 31 March, 2021

54 As the global pandemic COVID-19 continues to spread, the Indian government announced lockdown across the country to contain the spread of the virus. The management has assessed the internal and external information upto the date of approval of these financial statements and concluded that there is no material impact of COVID-19 on the Group's financial statements for year ended 31st March 2021.

55 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner
Membership No. :- 118970



Place: Mumbai
Date: 16 April 2021

For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120


Saili Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


Chirag Negandhi
Jt. MD and Co-CEO
DIN No. :- 06988113


Neelesh Baheti
Chief Financial Officer


M. Natarajan
Company Secretary



Date: 16 April 2021

Place: Mumbai