

DIRECTORS REPORT

DEAR MEMBERS

The Directors are pleased to present the 9th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2015.

FINANCIAL PERFORMANCE:

During the year, the Company achieved a total income of ₹ 4,549,397,470.

The Financial Results of the Company for the year ended 31st March 2015 are given below:

(Figures in ₹)

Particulars	2014-2015	2013-2014
	Amount	Amount
Operating Income(A)	4,417,680,629	3,025,984,113
Interest Income on Fixed Deposits and Miscellaneous Income (B)	131,716,841	119,363,868
Total Income (A)+(B)	4,549,397,470	3,145,347,981
Operating Expenses	3,817,183,133	2,975,466,244
Profit/(Loss) before Depreciation, provisions for tax	732,214,337	169,881,737
Depreciation	62,945,636	49,058,410
Provisions for Tax	228,604,743	(726,630)
Profit / (Loss) After Tax	440,663,958	121,549,957
Surplus in Statement of profit and loss account	(33,245,412)	(154,795,369)
Appropriation		
Dividend	180,625,000	-
Dividend Distribution Tax	36,114,375	-
Balance carried to Balance Sheet	190,679,171	(33,245,412)

BUSINESS OVERVIEW & REVIEW OF OPERATIONS

In FY 2014- 15 BSE Sensex gave an impressive 24.6% return. The appreciation was largely attributed to the expansion of P/E multiple rather than significant earnings growth. The clear mandate in the General Elections of May 2014 built optimism in the Equity Markets. Retail Investors gradually restarted nibbling towards Equity as an asset class. Global liquidity from Japan and Europe kept a risk on environment almost throughout the year. Going forward, next leg of run up in Equity Markets will have to be supported by improvement in the ground realities.

The Company's Broking Business made a net profit of ₹ 33.57 Crores for the FY 2014 -15. Total revenue for FY 2014- 15 from Retail Broking Business stood at ₹ 123.85 Crores as against ₹ 62.41 Crores. Customer acquisition in FY 2014- 15 was 2.38 Lacs as against 1.38 Lacs in FY 2013 -14. Total number of unique customers trading on Axis Direct platform increased by 48% to 1.33 Lacs from 0.90 lac in the previous year.

The Company's retail asset segment continued to grow steadily, both in business and earnings.

The Company continued to increase its distribution network by widening its geographical reach by opening new branches, which is critical for tapping new business.

The Company has done total retail business of ₹ 20,025 Crores in FY 2014-15, the details of which are as follows:

Sr. no.		FY 2013-14 (₹ In Crores)	FY 2014-15 (₹ In Crores)	% Growth
1.	Home Loan	8,872	10,014	11%
2.	Loan Against Property	2136	2,731	28%
3.	Personal Loan	2,644	3,885	47%
4.	Auto Loan	2,638	3,395	29%

Of the overall Axis Bank Business, Axis Securities contributes 55% of overall Home Loan, 73% of Personal Loan, 62% of Loan against Property, 88% of Auto Loan and about 55% of SME business.

In the FY 2014 -15, the Credit card business witnessed a 19% growth in the number of cards issued to 5,34,000 as compared to 4,49,148 in FY 2013-14. SEG Business of SME vertical has grown by 4% at ₹2,814 Crores in the FY 2014-15 compared to ₹2,700 Crores in FY 2013-14.



DIVIDEND

During the financial year 2014-15, the Board of Directors declared and paid an Interim Dividend at the rate of ₹1.25/- per equity share of ₹10 each, absorbing a sum of ₹180,625,000/- towards dividend amount and ₹3,61,14,375/- towards Dividend Distribution Tax. The Directors are pleased to recommend confirmation of the said interim dividend to be the Final Dividend for the financial year 2014-15. The Dividend, if approved by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2014-15.

MATERIAL CHANGE AND COMMITMENT

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as provided under sub-section (3) of Section – 92 of the Companies Act, 2013 in Form - MGT 9 is enclosed herewith as **Annexure A**.

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

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

Risk Management is a key function in a Stock Broking company. Real-time monitoring of overall exposure of the Company is required from the point of view of Risk Control. In volatile markets, robust Risk Management policies are must. The Company has adopted a comprehensive Risk Management Policy identifying various elements of risks, risk parameters and risk containment measures. The Company has strong automated risk

management systems in place. The risk system monitors various trades and positions of the clients on real-time basis with the help of real time data feeds from Exchanges. The system also generates automated alerts in case of specified events based on the set parameters. A dedicated risk team monitoring the risk systems acts promptly on all such alerts.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Company has also in place a Whistleblower Policy ('the Policy') which aims to set up a mechanism that enables employees to report about actual or potential illegal and/or unacceptable practices. The policy is designed to enable employees, to raise concerns to Whistleblower Committee, without revealing his/her identity, if he/she chooses to do so

and to disclose information which the individual believes, shows malpractice or wrongdoing which could affect the business or reputation of the Company.

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

During the year under review, the Company has appointed Mr. Rajiv Anand and Mr. Jairam Sridharan as Additional Directors of the Company with effect from July 17, 2014. The Company has appointed Mr. Rajiv Anand as the Chairman of the Company with effect from August 01, 2014.

The Board of Directors at its Meeting held on March 09, 2015 had appointed Ms. Nithya Easwaran as Additional Director of the Company in the category of Independent Directors with effect from March 12, 2015 and Mr. Jagdish Master in the category of Independent Directors with effect from March 12, 2015. Thereafter, at the Extraordinary General Meeting (EGM) of the Company held on March 12, 2015, the Members of the Company appointed Ms. Nithya Easwaran and Mr. Jagdish Master as Independent Directors under the Companies Act, 2013 for a period of 5 years with effect from March 12, 2015 pursuant to Section 149 of the Companies Act, 2013.

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

During the year under review, Mr. Nilesh Shah and Mr. Modan Saha have resigned from the Board of Directors of the Company with effect from July 17, 2014. The Directors place on record their warm appreciation for valuable contributions made by Mr. Nilesh Shah and Mr. Modan Saha, the outgoing Directors.

NUMBER OF MEETING

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

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

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

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 of Directors has carried out an annual performance evaluation of the performance of the Board.

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

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

THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR;

During the year under review, Mr. Hemantkumar Patel was appointed as Chief Financial Officer (CFO) of the Company with effect from February 03, 2015 and Ms. Shilpi Jaiswal was appointed as Company Secretary with effect from May 16, 2014.

During the year under review, Mr. Kunal Shah submitted his resignation from the position of Company Secretary of the Company with effect from May 13, 2014.

The details of Directors who were appointed or have resigned during the year has been mentioned in the section of the Directors.

COMMITTEES

i. AUDIT COMMITTEE

The Audit Committee was re-constituted twice during the year under review. The Committee was re-constituted vide board resolution dated July 17, 2014 with Four Directors - Mr. Ramesh Kumar Bammi (Chairman), Mr. Rajiv Anand, Mr. Jairam Sridharan and Mr. Jagdish Master.

The said re-constitution was pursuant to the appointment of Mr. Rajiv Anand and Mr. Jairam Sridharan as Directors of the Company and resignation of Mr. Nilesh Shah w.e.f July 17, 2014. The Committee was further re-constituted vide board resolution dated March 09, 2015 with three Directors - Ms. Nithya Easwaran (Chairperson), Mr. Jairam Sridharan and Mr. Jagdish Master, pursuant to the appointment of Ms. Nithya Easwaran and Mr. Jagdish Master as Independent Directors of the Company w.e.f March 12, 2015.

ii. EXECUTIVE COMMITTEE

The Executive Committee consists of three Directors – Mr. Jairam Sridharan (Chairman), Mr. Arun Thukral and Mr. Anand Shaha. The Executive Committee was re-constituted during the year under review vide board resolution dated July 17, 2014, pursuant to the appointment of Mr. Jairam Sridharan as Director of the Company and resignation of Mr. Nilesh Shah and Mr. Modan Saha w.e.f July 17, 2014.

iii. NOMINATION AND REMUNERATION COMMITTEE

The nomenclature of the Remuneration Committee was altered to Nomination and Remuneration Committee during the year under review vide board resolution dated July 17, 2014, pursuant to the requirement of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and that the said Committee was re-constituted twice during the year under review.

The Committee was re-constituted vide board resolution dated July 17, 2014 with three Directors - Mr. Ramesh Kumar Bammi (Chairman), Mr. Rajiv Anand, and Mr. Jagdish Master. The said re-constitution was pursuant to the appointment of Mr. Rajiv Anand as Director of the Company and resignation of Mr. Nilesh Shah w.e.f July 17, 2014.

The Committee was further re-constituted vide board resolution dated March 09, 2015 with three Directors - Mr. Rajiv Anand (Chairman), Ms. Nithya Easwaran and Mr. Jagdish Master, pursuant to the appointment of Ms. Nithya Easwaran and Mr. Jagdish Master as Independent Directors of the Company w.e.f March 12, 2015.

iv. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of three Directors – Mr. Jairam Sridharan (Chairman), Mr. Arun Thukral and Mr. Anand Shaha. The Risk Management Committee was re-constituted during the year under review vide board resolution dated July 17, 2014, pursuant to the appointment of Mr. Jairam Sridharan as Director of the Company and resignation of Mr. Nilesh Shah and Modan Saha w.e.f July 17, 2014.

v. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSR Committee) was re-constituted twice during the year under review. The Committee was re-constituted vide board resolution dated July 17, 2014 with four Directors - Mr. Ramesh Kumar Bammi (Chairman), Mr. Jairam Sridharan, Mr. Arun Thukral, and Mr. Anand Shaha. The said re-constitution was pursuant to the appointment of Mr. Jairam Sridharan as Director of the Company and resignation of Mr. Nilesh Shah and Modan Saha w.e.f July 17, 2014.

The Committee was further re-constituted vide board resolution dated March 09, 2015 with Four Directors - Mr. Ramesh Kumar Bammi (Chairman), Mr. Jairam Sridharan, Mr. Arun Thukral, and Ms. Nithya Easwaran, pursuant to the appointment of Ms. Nithya Easwaran as Independent Director of the Company w.e.f March 12, 2015.



SHARE CAPITAL

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

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS 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.

During the year under review, the Company has spent ₹ 38,10,871 (Rupees Thirty Eight lacs Ten Thousand Eight Hundred and Seventy One) in Foreign exchange towards technology and related expenses. The company has not earned any foreign exchange. The details of the Foreign exchange outflow are enclosed in **Annexure B**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION- 186

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.

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 as mentioned below:-

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 as also the Board for approval. Prior omnibus approval of the Audit Committee is 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. Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form - AOC - 2 is enclosed herewith as **Annexure C**.

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

The statement containing particulars of employees required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an **Annexure E** appended hereto and forms part of this report. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

ASL's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. The policy shall apply to all CSR programs



undertaken/sponsored by ASL executed through its Holding Company's Axis Bank Foundation or through any other Trust/NGO.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

During the year under review, the Company has spent ₹ 4,98,500/- towards CSR activity undertaken through Axis Bank Foundation.

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, etc.

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.
- ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year ended 31st March 2015.
- iii. 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.
- iv. The annual accounts of the Company have been prepared on a going concern basis.

- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCES

The Balance Sheet and Statement of Profit and Loss for the period under review are revised as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.

AUDITORS

i. STATUTORY AUDITORS

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company has appointed M/s. S.R.B.C. & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 8th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company subject to ratification of such appointment in every annual general meeting till such 12th Annual General Meeting.

ii. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jayshree Dagli & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year under review. The Report of the Secretarial Audit Report is annexed herewith as **Annexure D**.

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. M. Nissim & Co., Chartered Accountants to undertake the Internal Audit of the Company for the financial year under review.

CORPORATE GOVERNANCE

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



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

FUTURE OUTLOOK

The Indian Equity Market looks positive due to the new government's proactive approach. The business confidence is gradually turning optimistic and there are early signals of growth picking up. Various rating agencies have projected GDP growth between 7 % to 7.5% for the FY 2015-16. There are several factors that can be considered as key drivers in 2015- 16, such as stable rupee and relatively low oil prices, which shall keep twin deficit within control.

The next major trigger in the equity markets will be the earnings growth. The markets are currently trading around 16 times FY 2015 -16 earnings, neither reasonably cheap nor at stretched valuations. The markets are expecting economic recovery in the later half of the year and are expected to be consolidating around the current levels given the impending US rate hike. In the current year, we foresee money flow to come in from Indian investors unlike in the past where dependency was skewed towards foreign flows.

Other factors such as stable inflation, increase in Infrastructure spending and decrease in the interest rate by RBI shall lead to lower lending rates and an increase in Consumer demand especially in the Mortgage Loans, Housing Loan, Auto Loan and Personal Loans. Lower lending rates will eventually lead to higher credit demand and improved outlook for the loan Business. Government has extended some regulatory benefits to banks viz. raising of affordable housing bonds exempt from SLR/CRR/PSL requirements. Auto loan demand will be driven by the Change in the mindset of considering a car as a necessity rather than a luxury. An aspiration to own a car at a young age will propel auto loan demand manifold. A structural shift in the thought process of owing home, auto, properties, consumer products at a relatively young age, all augur well for the business of lending. According to the latest Economic Survey, Indian SMEs employ close to 40% of India's workforce. After the agriculture



sector, SMEs rank second in fostering employment opportunities. Presently, ease of credit access is the most critical growth driver for any SME.

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, financial institutions, suppliers, advisors, Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE), Bombay Stock Exchange (BSE), National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL), Central, State and Local Government Departments and Bodies for their continued support and cooperation.

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

For and on Behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Rajiv Anand', written over a horizontal line.

RAJIV ANAND

(DIN: 02541753)

CHAIRMAN

Place: Mumbai

Date: April 13, 2015

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	U74992MH2006PLC163204
ii.	Registration Date	:	21/07/2006
iii.	Name of the Company	:	Axis Securities Limited
iv.	Category / Sub-Category of the Company	:	Public Unlisted Company
v.	Address of the Registered office and contact details	:	Axis House, 8 th Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra, India. Telephone No - 022 24252021 Email id – shilpi.jaiswal@axissales.in
vi.	Whether listed company	:	Yes/ No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s Karvy Computershare Private Limited 17 -24 Vithal Rao Nagar, Madhapur, Hyderabad – 500 081, India Telephone No - +91 040 44655265

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Business sourcing and resource management	99831130	72.49%
2.	Brokerage on securities	99715210	24.61%

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 Trishul, 3rd Floor, Opp Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006	L65110GJ1993PL C020769	Holding	99.999958 %	2(46)
2.	Axis Capital Limited Axis House, 8th floor, Wadia international	U51900MH2005P LC157853	Associate	NIL	2(6)

AXIS SECURITIES

	centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025				
3.	Axis Finance Limited Axis House, Ground floor, Wadia international centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65921MH1995P LC212675	Associate	NIL	2(6)
4.	Axis Asset Management Company Limited Axis House, 1st floor, C-2, Wadia international centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65991MH2009P LC189558	Associate	NIL	2(6)
5.	Axis Private Equity Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2006P LC165039	Associate	NIL	2(6)
6.	Axis Mutual Fund Trustee Limited Axis House, 1st floor, C-2, Wadia international centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2009P LC189325	Associate	NIL	2(6)
7.	Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U74999MH2008P LC182264	Associate	NIL	2(6)
8.	Axis Bank U.K. Limited Kings House, (4th Floor), 36-37, Kings Street, London, England.		Associate	NIL	2(6)
9.	Axis Securities Europe Limited 10 Orange Street, WC2H 7DQ, London, England		Associate	NIL	2(6)
10.	Bussan Auto Finance India Private Limited	U67190DL2007FT C162475	Associate (*Joint Venture of	NIL	2(6)



AXIS SECURITIES

10th Floor, Ashoka Estate, 24, Barakhamba Road, New Delhi - 110001	Holding Company)		
--	------------------	--	--

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

i. Category - wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
g) Individual/HUF	---	---	---	---	---	---	---	---	---
h) Central Govt	---	---	---	---	---	---	---	---	---
i) State Govt(s)	---	---	---	---	---	---	---	---	---
j) Bodies Corp.	---	---	---	---	---	---	---	---	---
k) Banks / FI	144,499,934	6	144,499,940	99.999958 %	144,499,934	6	144,499,940	99.999958 %	NIL
l) Any Other...	---	---	---	---	---	---	---	---	---
Sub-total (A) (1):-	144,499,934	6	144,499,940	99.999958 %	144,499,934	6	144,499,940	99.999958 %	NIL
(2) Foreign									
a) NRIs - Individuals	---	---	---	---	---	---	---	---	---
b) Other - Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
Sub-total (A) (2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	144,499,934	6	144,499,940	99.999958 %	144,499,934	6	144,499,940	99.999958 %	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 shareholders holding nominal share capital upto Rs. 1 lakh	---	60	60	0.000042%	---	60	60	0.000042%	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	---	---	---	---	---	---	---	---	---

AXIS SECURITIES

c) Others (specify)	---	60	60	0.000042%	---	60	60	0.000042%	---
Sub-total (B)(2):-	---	60	60	0.000042%	---	60	60	0.000042%	---
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custod ian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	144,499,934	66	144,500,000	100%	144,499,934	66	144,500,000	100%	---

ii. Share Holding of Promoters

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

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /				

AXIS SECURITIES

	Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30	0.000021%	144,500,000	100%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	<p>17/07/2014 10 equity shares held by Mr. Modan Saha, who resigned from Directorship of the Company.</p> <p>10 equity shares held by Mr. Somnath Sengupta, were transferred to Mr. Parthasarathi Mukherjee</p> <p>08/08/2014 10 equity shares held by Mr. Ramesh Kumar Bammi, Director of the Company were transferred to Mr. Rajesh Kumar Dahiya</p>	<p>0.000007%</p> <p>0.000007%</p>	<p>144,500,000</p>	<p>100%</p>

			0.000007%		
	At the End of the year (or on the date of separation, if separated during the year)	50	0.000021%	144,500,000	100%

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30	0.000021%	144,500,000	100%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17/07/2014 10 equity shares held by Mr. Modan Saha, Member of the Company resigned as Director of the Company 08/08/2014 10 equity shares held by Mr. Ramesh Kumar Bammi, Director of the Company were transferred to Mr. Rajesh Kumar Dahiya	 0.000007% 0.000007%	 144,500,000 144,500,000	 100% 100%
	At the End of the year	10	0.000007%	144,500,000	100%

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)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition				
• Reduction (Maximum outstanding of Overdraft facility Rs. 9,81,00,000)	56,07,00,000 56,07,00,000			
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	---	---	---	---
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Arun Thukral, Managing Director & CEO	Anand Kumar Shaha, Whole Time Director	





AXIS SECURITIES

	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,358,091	62,64,519	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	10,358,091	62,64,519	
	Ceiling as per the Act			

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Ramesh Kumar Bammi	Modan Saha	Nilesh Shah	Rajiv Anand	Jairam Sridharan	Jagdish Master	Nithya Easwaran	
	3. Independent Directors								
	• Fee for attending board committee meetings	---	---	---	---	---	205,000	50,000	
	• Commission								
	• Others, please								
	Total (1)	---	---	---	---	---	205,000	50,000	255,000

4. Other Non-Executive Directors									
• Fee for attending board committee meetings	250,000	---	---	---	---	---	---	---	
• Commission									
• Others, please									
Total (2)	2,50,000						---	---	2,50,000
Total (B)=(1+2)	250,000						205000	50,000	505000
Total Managerial Remuneration	250,000	---	---	---	---		205000	50,000	505000
Overall Ceiling as per the Act	---	---	---	---	---		---	---	---

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		8,11,963	4,93,118	
		NIL	NIL	NIL	
		NIL	NIL	NIL	
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total		8,11,963	4,93,118	



AXIS SECURITIES

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

1

ANNEXURE- B
PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS

Name of the Party	Particulars of Purpose	Amount of outflow (in Rupees) 2014-15
Shutterstock Inc	Subscription for obtaining images towards printing materials	161,810
Microsoft Regional Sales Corporation	Email Subscription	1,357,023
Citrix Online AUS PTY Ltd	Online web Conference Subscription	1,892,038
Screener	Technical subscription for research	400,000
Total		3,810,871



FORM AOC - 2

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

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

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

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

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

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

			company) 4. Axis Capital Limited (Common director /Associate Company)
b)	Nature of contracts /arrangements /transactions	:	1. Availing and Rendering of services 2. Sale, Purchase or supply of any goods or materials (allotment/ redemption of shares) 3. Availing and Rendering of services 4. Availing and Rendering of services
c)	Duration of the contracts / arrangements / transactions	:	1. Continuous 2. 1 month 3. Continuous 4. Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	1. Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	1. 16-05-2014 2. 16-05-2014
f)	Amount paid as advances, if any	:	NIL

Rajiv Anand
(DIN: 02541753)



CHAIRMAN

Place: Mumbai

Date: April 13, 2015

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Date: 13th April, 2015.

To,
The Members,
Axis Securities Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JAYSHREE DAGLI & ASSOCIATES
COMPANY SECRETARIES

Jayshree S. Joshi

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

To,
**The Members,
Axis Securities Limited
Mumbai**

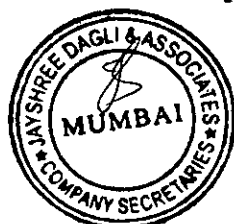
We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Securities Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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, minutes books, forms and returns filed and other records maintained by **Axis Securities Limited** ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- A)**
- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Contd...2



Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

::2::

(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(6) SEBI (Stock Brokers and Sub Brokers) Regulations, 1992;

B) During the period under review provisions of the following Regulations (as enumerated in the prescribed format of Form MR-3) were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) 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;
- (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
- (viii) Listing Agreement (The Company being an UNLISTED Company).
- (ix) Secretarial Standards issued by the Institute of Company Secretaries of India yet to be notified and hence not to be considered / not required to be certified.

During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned under A herein above.

We further report that

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



Contd...3

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsni.com

JAYSHREE DAGLI & ASSOCIATES

::3::

COMPANY SECRETARIES

Adequate notice had been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and that 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.

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as mentioned in A herein above as well as those mentioned below:

- i) Information Technology Act, 2000;
- ii) Indian Stamp Act, 1999;
- iii) Income tax Act, 1961;
- iv) Service Tax Act;
- v) Professional Tax Act.

We further report that during the audit period the Company has specific events / actions as detailed in **Annexure I** to this Report having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to herein above.

Place : Mumbai

Date : 13th April, 2015.

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Annexure-I

Table Showing Specific Events and Actions for FY 2014-15

Sr.No.	Name of the Event	Date of Board Resolution	Date of General Meeting Resolution
1	Resignation of Mr.Kunal Shah as Company Secretary	16.05.2014	---
2	Appointment of Ms.Shilpi Jaiswal as Company Secretary	16.05.2014	--
3	Revision of Remuneration of Mr. Anand Shaha as Whole Time Director	29.05.2014	09.06.2014
4	Revision of Remuneration of Mr. Arun Thukral as Managing Director	29.05.2014	09.06.2014
5	Resignation of Mr. Modan Saha as Director	17.07.2014	---
6	Resignation of Mr. Nilesh Shah as Director	17.07.2014	---
7	Appointment of Mr. Rajiv Anand as Additional Director	17.07.2014	---
8	Appointment of Mr. Jairam Sridharan as Additional Director	17.07.2014	---
9	Appointment of Mr. Hemant kumar Patel as CFO	03.02.2015	---
10	Appointment of Mr. Jagdish Master as Independent Director	09.03.2015	12.03.2015
11	Appointment of Ms. Nithya Easwaran as Independent Director	09.03.2015	12.03.2015

Place : Mumbai

Date : 13th April, 2015.

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

Jayshree S. Joshi

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

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

Sr. No.	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
1.	Anand Shaha	Whole time Director	62,64,519	Full Time	22 years of experience Bachelor's Degree in Commerce from Andhra University, and is a qualified Chartered Accountant	May 2010	48 years	Fullerton Securities & Wealth Advisors Limited	---	---
2.	Amit Golia	Joint General Manager, Head - Product, Strategy and Marketing	64,39,118	Full Time	15 years of experience PGDBA (Marketing) from Welinkers Institute of Management	June 2011	39 years	Motilal Oswal Securities Limited	---	---



Independent Auditor's Report

To
The Members of Axis Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Securities Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

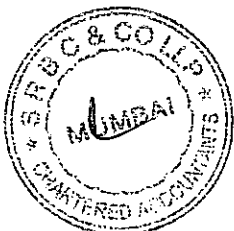
Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.



S R B C & CO LLP

Chartered Accountants

Independent Auditor's Report

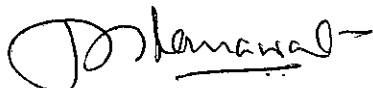
Axis Securities Limited

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

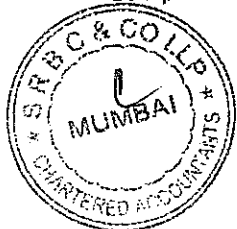
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representation received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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 - Refer Note 30 to the financial statements;
 - (ii) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - (iii) As at March 31, 2015 there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & Co. LLP
Chartered Accountants
Firm's Registration Number: 324982E



per Jitendra H. Ranawat
Partner
Membership Number: 103380

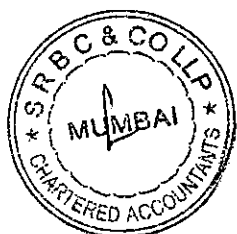
Mumbai
13 April 2015



**Annexure referred to in our report of even date
Re: Axis Securities Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (ii) (a) The Company does not hold any securities in physical form. The securities held as stock-in-trade in dematerialised form are verified with the confirmation statement received from the custodian on a regular basis during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The Company is maintaining proper records of securities held as stock-in-trade and no discrepancies were noticed on comparing the statement from custodian with book records.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) The provision of clause 3(vi) of the Order in respect of maintenance of cost records is not applicable to the Company in the year under audit and hence not reported upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. As informed, sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding for taxes on account of dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Stamp Duty of the state of Madhya Pradesh	Stamp Duty	18,13,193	2011-12	Collector of Stamps, Indore (Madhya Pradesh)
Income Tax Act, 1961	Penalty	3,72,508	2006-07	ITAT
Income Tax Act, 1961	Expenses disallowed	21,16,747	2010-11	CIT (A)

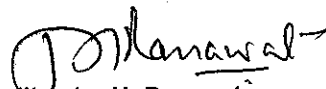


S R B C & CO LLP

Chartered Accountants

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year during the year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) We have been informed that there have been instances of fraud by third parties in collusion with certain employees of the Company amounting to Rs. 9,75,836 in respect of selling of third party's financial products. Investigations related to these cases are have been completed and closed. The Company has since terminated the services of these employees and has also recovered Rs. 6,79,896. However there is no financial loss to the Company since the amount has been to be repaid to the Principal only if the same is recovered from the concerned third parties.

For S R B C & CO. LLP
Chartered Accountants
Firm registration number: 324982E


Jitendra H. Ranawat
Partner
Membership No.: 103380



Place: Mumbai
Date: 13 April 2015

AXIS SECURITIES LIMITED
(A subsidiary of Axis Bank Ltd)
AUDITED RESULT FOR THE YEAR ENDED 31 MARCH 2015

Axis Securities Limited			
Balance sheet as at 31 March 2015			
Particulars	Notes	31 March 2015	31 March 2014
		₹	₹
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	1,44,50,00,000	1,44,50,00,000
Reserves and surplus	4	34,35,56,696	11,96,32,113
Non-current liabilities			
Other long term liabilities	5	97,65,138	91,73,786
Long term provisions	6	1,74,24,399	1,32,70,372
Current liabilities			
Trade payables	7	45,60,87,882	84,03,73,093
Other current liabilities	8	40,43,80,261	54,74,55,319
Short term provisions	6	14,80,73,424	8,39,94,383
Total		2,82,42,87,800	3,05,88,99,066
II.Assets			
Non-current assets			
<i>Fixed assets</i>			
Tangible assets	9	13,10,78,598	12,53,41,233
Intangible assets	9	4,03,25,729	4,59,56,541
Deferred Tax Asset (net)		1,71,37,642	75,12,076
Long term loans and advances	10	38,19,05,627	39,72,92,757
Other non current assets	12.2	12,33,68,695	7,28,84,867
Current assets			
Current investments	11	1,50,00,000	-
Trade receivables	12.1	48,05,41,977	77,37,29,603
Short term loans and advances	10	2,87,46,729	2,68,16,021
Cash and bank balances	13	1,55,78,54,237	1,48,41,74,729
Other current assets	12.2	4,83,28,566	12,51,91,239
Total		2,82,42,87,800	3,05,88,99,066

Significant accounting policies

2.1

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

As per our report of even date

For S. R. B.C. & Co. LLP
Firm Registration No.: 324982E
Chartered Accountants

Jitendra H. Ranawat



per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2015

For and on behalf of the board of Directors

Rajiv Anand

Rajiv Anand
Chairman
DIN No: 02541753

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

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



Anand Shaha

Anand Shaha
Whole-time Director
DIN No: 02421213

Shilpi Jaiswal

Shilpi Jaiswal
Company Secretary
PAN: AVXPK2326B

Axis Securities Limited			
Statement of profit and loss for the year ended 31 March 2015			
Particulars	Notes	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
Revenue from operations	14	4,41,76,80,629	3,02,59,84,113
Other income	15	13,17,16,841	11,93,63,868
Total revenue		4,54,93,97,470	3,14,53,47,981
Expenses:			
Employee benefit expense	16	3,23,92,48,679	2,49,78,94,200
Depreciation and amortization expense	9	6,29,45,636	4,90,58,410
Finance charges	17	47,37,689	4,81,303
Other expenses	18	57,31,96,765	47,21,72,216
Total expenses		3,88,01,28,769	3,01,96,06,129
Profit before tax and before impact of the scheme of demerger relating to earlier period		66,92,68,701	12,57,41,852
Tax expense:			
Current tax		(22,90,00,000)	(1,41,17,769)
MAT credit entitlement availed / (utilised)		(83,25,191)	83,25,191
Deferred tax		96,25,565	65,19,208
(Short)/ excess provision of earlier years written off/ written back		(9,05,117)	93,00,000
Profit for the year after tax and before impact of the scheme of demerger relating to earlier period		44,06,63,958	13,57,68,482
Impact of scheme of demerger relating to earlier (20 Oct 2012 to 31 March 2013) period	18		
Loss of business acquired on demerger from appointed date i.e. 20 Oct 2012 to 31 March 2013		-	(1,42,18,525)
Profit/(Loss) for the year		44,06,63,958	12,15,49,957
Earnings per equity share [nominal value of share ₹10 (31 March 2015: ₹10)]			
Basic		3.05	0.85
Diluted		3.05	0.85

Significant accounting policies

2.1

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

As per our report of even date

For S. R. B.C. & Co. LLP
Firm Registration No.: 324982E
Chartered Accountants

Jitendra H. Ranawat

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2015



For and on behalf of the board of Directors

Rajiv Anand
Rajiv Anand
Chairman
DIN No: 02541753

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

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



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

Shilpi Jaiswal
Shilpi Jaiswal
Company Secretary
PAN: AVXPK2326B

Axis Securities Limited

Cash flow statement for the year ended 31 March 2015

Particulars	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
A) Cash flow from operating activities		
Profit before taxes*	66,92,68,701	11,15,23,327
<u>Non cash & non operating adjustments:</u>		
Interest income	(12,35,43,028)	(11,86,87,693)
Depreciation and amortization	6,29,45,636	4,90,58,410
Dividend Income	(6,98,082)	-
Finance charges	2,18,492	19,215
Profit from sale of investments	(68,81,846)	(1,95,787)
Provision for doubtful debts	49,42,383	24,42,358
Loss on sale of fixed assets	3,65,075	10,47,974
Operating profit before working capital changes	60,66,17,331	4,52,07,804
Movement in working capital:		
Decrease / (increase) in long term loan & advances	52,19,285	28,61,434
Decrease / (increase) in short term loan & advances	(19,30,708)	68,17,441
Decrease / (increase) in trade receivables	28,82,45,243	(28,78,19,861)
Decrease / (increase) in other current assets	5,51,81,574	(5,51,81,574)
Increase/ (decrease) in other long term liabilities	5,91,352	19,46,056
Increase/ (decrease) in long term provisions	41,54,027	60,12,492
Increase/ (decrease) in short term provisions	(14,30,75,058)	4,46,07,834
Increase/ (decrease) in trade payables	(38,42,85,211)	42,28,71,349
Increase/ (decrease) in other current liabilities	6,40,79,041	31,01,49,275
Cash generated from operations	49,47,96,876	49,74,72,250
Direct taxes paid (net of refund)	(22,80,62,464)	(19,54,02,524)
Net cash from operating activities	26,67,34,412	30,20,69,726
B) Cash flow from investing activities		
Purchase of fixed assets	(6,35,56,994)	(9,62,20,517)
Proceeds from sale of fixed assets	1,39,730	59,82,481
(Investment) / redemption in bank fixed deposit (net)	7,12,53,803	38,39,96,031
Investment in mutual funds	(3,08,40,00,000)	(16,46,00,000)
Redemption of mutual funds	3,07,58,81,846	16,47,95,787
Decrease / (increase) fixed deposit under lien exchange	6,84,65,795	(56,89,56,188)
Interest received	14,22,40,299	7,98,07,253
Dividend Received	6,98,082	-
Net cash used in investing activities	21,11,22,561	(19,51,95,153)
C) Cash flow from financing activities		
Interest on overdraft	(2,18,492)	(19,215)
Dividend paid (including distribution tax)	(21,67,39,375)	-
Net cash from financing activities	(21,69,57,867)	(19,215)
Net increase in cash and cash equivalents	26,08,99,106	10,68,55,358
Cash and cash equivalents at the beginning of the period	28,86,73,062	8,89,58,472
Cash and cash equivalents acquired in the acquisition	-	9,28,59,232
Cash and cash equivalents at the end of the period	54,95,72,168	28,86,73,062
Components of cash and cash equivalents as at		
Cash in hand	-	1,15,537
With scheduled bank -		
On current account	54,95,72,168	28,85,57,525
Total	54,95,72,168	28,86,73,062

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

*For FY 13-14, profit before taxes includes loss of business acquired on demerger for the period 20 Oct 12 to 31 Mar 13.

As per our report of even date

For S. R. B.C. & Co. LLP
Firm Registration No.: 324982E
Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2015



For and on behalf of the board of Directors

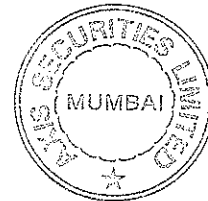
Rajiv Anand
Chairman
DIN No: 02541753

Arun Thukral
Managing Director & CEO
DIN No: 03043072

Hemant Kumar Patel
Chief Financial Officer
PAN: AGOPP9611N

Anand Shaha
Whole-time Director
DIN No: 02421213

Shilpi Jaiswal
Company Secretary
PAN: AVXPK2326B



Axis Securities Limited

Notes forming part of the financial statements

1. Nature of operations and background

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

On 20 October 2012, the Board of Directors of the Company and subsequently the shareholders vide their consent letter dated 7 December 2012, had approved the scheme of demerger ('Scheme of Demerger') among Axis Capital Limited ('ACL'), the Company and their respective shareholders and creditors. Under the Scheme of Demerger effective 20 October 2012, the Company has acquired the business of resources management and marketing of third party financial products ('Sales Division') and online retail broking ('Broking Division') of ACL on a going concern basis, having net assets of ₹1,21,53,87,525 against a purchase consideration of 12,15,00,000 equity shares of ₹ 10 each (fully paid up) in the Company discharged to the members of ACL. Further, the High Court, Bombay, vide their Order dated 26 April 2013, has approved the Scheme of Demerger. The Company has filed the high court order with the Registrar of Companies on 21 May 2013. On the effective date (i.e. 25 May 2013), the Company became subsidiary of Axis Bank Limited.

2. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

2.1 Significant accounting policies

Presentation and disclosure of financial statements

i. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the future periods.

ii. Fixed assets including intangible assets

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

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

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

iii. Depreciation and amortization

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years.

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.



A small, stylized handwritten mark or signature in the bottom left corner of the page.

Notes forming part of the financial statements

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Accordingly the useful life of office equipments has been changed from ten years to five years as prescribed in Schedule II. Had the Company continued to use the earlier useful life of fixed asset, the profit for the current period would have been higher by ₹ 66,19,717 and the fixed asset would correspondingly have been higher by ₹ 66,19,717.

Pursuant to this policy, depreciation has been provided using the following estimated useful lives:

	Useful Life
Leasehold improvements	Upon Lease Period
Electrical fittings and other equipments	10 Years
Furniture and fittings	10 Years
Office equipments	5 Years
Computers	3 Years
Softwares	5 Years
Mobile phone	2 Years

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

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

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

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

v. **Leases**

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

vi. **Revenue recognition**

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

a. **Business sourcing and resource management**

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

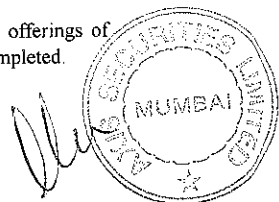
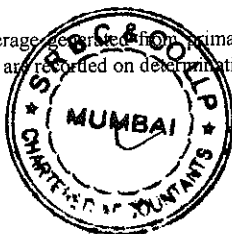
b. **Brokerage**

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

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

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

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



2

Axis Securities Limited

Notes forming part of the financial statements

c. *Depository fees*

Depository fees are recognized on completion of the transaction.

d. *Portfolio management fees*

Portfolio management fees are accounted on accrual basis as follows:

- In case of fees based on fixed percentage of the corpus/ fixed amount, income is accrued at the end of the quarter/ month.
- In case of fees, based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

e. *Interest*

-Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest is included under the head 'Other Income' in the Statement of profit and loss

f. *Income from Investments*

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

vii. **Stock in trade**

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

viii. **Retirement and other employee benefits**

- Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.
- Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using projected unit credit method, made at each year end. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the Statement of profit and loss of the year. Actuarial gains/losses are immediately taken to the Statement of profit and loss of the year.
- Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end.

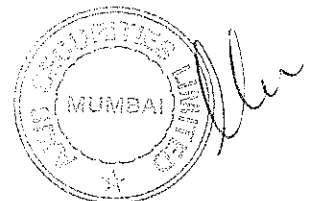
ix. **Income taxes**

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income tax

- Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.
- Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



P

Notes forming part of the financial statements

- c. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- d. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternative tax (MAT)

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

x. Investments

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

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

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

xi. Foreign currency transactions

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

xii. Segment reporting policies

The business of the Company is divided into two segments: marketing of financial products and resources management (sales) and retail broking (online and offline mode).

a. Nature of segment:

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

b. Identification of segment:

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

c. Allocation of common costs:

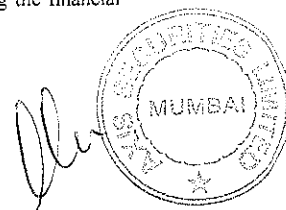
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

d. Unallocated items:

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

e. Segment accounting policies:

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



A small, stylized handwritten mark or signature in the bottom left corner of the page.

Axis Securities Limited

Notes forming part of the financial statements

xiii. Earnings per share

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

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

xiv. Provisions

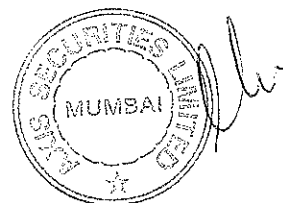
A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present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

xv. Cash and cash equivalents

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

xvi. Contingent liabilities

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



2

3. Share capital

	31 March 2015 ₹	31 March 2014 ₹
Authorized share capital 150,000,000 (31 March 2014: 150,000,000) equity shares of ₹10 each	1,50,00,00,000	1,50,00,00,000
Issued, subscribed and fully paid-up shares share capital		
Equity share capital 144,500,000 (31 March 2014: 144,500,000) equity shares of ₹10/- each	1,44,50,00,000	1,44,50,00,000
Total issued & subscribed share capital	1,44,50,00,000	1,44,50,00,000

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

Equity shares

	31 March 2015		31 March 2014	
	No.	₹	No.	₹
At the beginning of the period	14,45,00,000	1,44,50,00,000	30,00,000	3,00,00,000
Issued during the period on account of conversion of preference shares	-	-	2,00,00,000	20,00,00,000
Issued during the period on account of Scheme of Demerger (Refer note 19)	-	-	12,15,00,000	1,21,50,00,000
Outstanding at the end of the period	14,45,00,000	1,44,50,00,000	14,45,00,000	1,44,50,00,000

Preference shares

	31 March 2015		31 March 2014	
	No.	₹	No.	₹
At the beginning of the period	-	-	2,00,00,000	20,00,00,000
Issued during the period	-	-	-	-
Conversion into equity during the period	-	-	2,00,00,000	20,00,00,000
Outstanding at the end of the period	-	-	-	-

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of conversion/ redemption of convertible preference shares

Each holder of such share can opt to convert its preference shares into equity share which may be mutually agreeable to the Company and the preference shareholders. On Conversion, the Company will issue 10 equity shares of ₹ 10/ each for each preference share of ₹ 100 held. The option to convert the preference shares into equity shares can be exercised from the date of conversion to the date of maturity of the preference shares (i.e. 28 September 2019). If the preference shareholders do not exercise conversion option, all preference shares are redeemable at par on maturity. In the event of liquidation of the Company before conversion/ redemption of preference shares, the holders of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital. This has been converted into equity shares on 25 April 2013.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

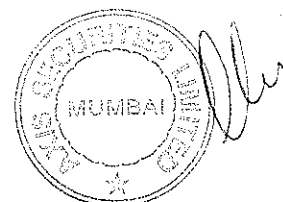
Out of equity shares and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	31 March 2015 ₹	31 March 2014 ₹
Axis Bank Limited, the holding company and its nominees 144,500,000 equity shares of ₹10/- each	1,44,50,00,000	1,44,50,00,000

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

Name of the shareholder	31 March 2015		31 March 2014	
	Nos	%	Nos	%
Axis Bank Limited, the holding company and its nominees (Equity Shares)	144,500,000	100	144,500,000	100

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



②

Axis Securities Limited

Notes to financial statements for the year ended 31 March 2015

4. Reserve & Surplus

Capital reserve	31 March 2015 ₹	31 March 2014 ₹
Opening balance	3,87,525	-
Addition during the year (refer note 19)	-	3,87,525
Closing balance	3,87,525	3,87,525

Securities premium account	31 March 2015 ₹	31 March 2014 ₹
Opening balance	15,24,90,000	15,24,90,000
Addition during the year	-	-
Closing balance	15,24,90,000	15,24,90,000

Profit & Loss Account	31 March 2015 ₹	31 March 2014 ₹
Balance as per last financial statements	(3,32,45,412)	(15,47,95,369)
Profit for the year	44,06,63,958	12,15,49,957
Less: Appropriations		
Interim equity dividend (amount per share ₹1.25 (31 March 2014: ₹Nil))	(18,06,25,000)	-
Tax on equity dividend	(3,61,14,375)	-
Total appropriations	(21,67,39,375)	-
Closing balance	19,06,79,171	(3,32,45,412)
Total Reserves & Surplus	34,35,56,696	11,96,32,113

5. Other long-term liabilities

	31 March 2015 ₹	31 March 2014 ₹
Deposit received from franchisee	97,65,138	91,73,786
Total	97,65,138	91,73,786

6. Provisions

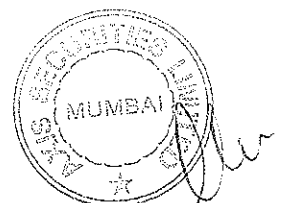
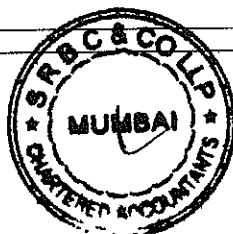
	Long-term		Short-term	
	31 March 2015 ₹	31 March 2014 ₹	31 March 2015 ₹	31 March 2014 ₹
Provision for employee benefits				
Gratuity payable	69,34,273	58,39,225	61,81,635	68,49,375
Leave availment payable	2,14,618	1,59,949	2,72,30,728	2,12,29,317
Provision for bonus	-	-	11,33,01,182	5,44,06,108
	71,48,891	59,99,174	14,67,13,545	8,24,84,800
Other provisions				
Leases	1,02,75,508	72,71,198	13,59,879	15,09,583
Total	1,74,24,399	1,32,70,372	14,80,73,424	8,39,94,383

7. Trade payables

	31 March 2015 ₹	31 March 2014 ₹
Trade payables	45,60,87,882	84,03,73,093
Total	45,60,87,882	84,03,73,093

8. Others current liabilities

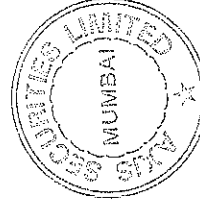
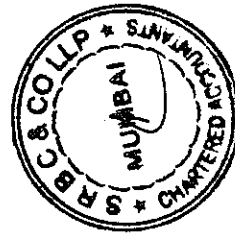
	31 March 2015 ₹	31 March 2014 ₹
Other liabilities		
Income received in advance	13,11,43,015	8,42,80,902
Others		
Sundry creditors for capital expenditure	39,51,680	57,43,585
Expense creditors		
- Due to holding company	80,03,736	26,05,68,686
- Due to others	9,11,09,533	6,59,20,880
Salary & incentive payable	13,08,67,549	8,82,45,365
Undisputed statutory dues	3,21,11,599	3,56,90,918
Others	71,93,149	70,04,983
Total	40,43,80,261	54,74,55,319



Axis Securities Limited
Notes to financial statements for the year ended 31 March 2015
Note 9 : Fixed Assets

(₹)

Assets	Gross Block				DEPRECIATION				Net Block	
	As at April 1, 2014	Addition	Deductions	As at March 31, 2015	As at April 1, 2014	Addition	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible assets										
Improvements to leasehold premises	6,55,85,521	59,00,373	11,99,398	7,02,86,496	1,56,47,103	95,42,047	9,89,236	2,41,99,914	4,60,86,582	4,99,38,418
Furniture	5,33,27,089	69,34,312	17,08,397	5,85,53,004	2,69,45,287	57,47,564	14,32,288	3,12,60,563	2,72,92,441	2,63,81,802
Office equipment	3,93,94,554	33,55,928	7,31,456	4,20,19,026	1,07,72,298	1,11,90,874	7,24,185	2,12,38,987	2,07,80,039	2,86,22,256
Computers	7,41,02,942	3,00,49,287	2,12,644	10,39,39,585	5,37,04,185	1,35,17,245	2,01,381	6,70,20,049	3,69,19,536	2,03,98,757
	23,24,10,106	4,62,39,900	38,51,895	27,47,98,111	10,70,68,873	3,99,97,730	33,47,090	14,37,19,513	13,10,78,598	12,53,41,233
Intangible assets										
Software	11,81,09,955	1,73,17,094	1,50,179	13,52,76,870	7,21,53,414	2,29,47,906	1,50,179	9,49,51,141	4,03,25,729	4,59,56,541
Total	35,05,20,061	6,35,56,994	40,02,074	41,00,74,981	17,92,22,287	6,29,45,636	34,97,269	23,86,70,654	17,14,04,327	17,12,97,774
Previous Year	4,37,70,322	11,42,11,008	2,80,77,608	35,05,20,061	3,42,65,588	4,90,58,410	2,10,47,153	17,92,22,287	17,12,97,774	



2

Axis Securities Limited

Notes to financial statements for the year ended 31 March 2015

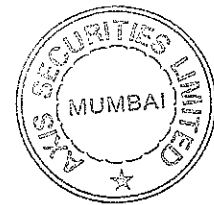
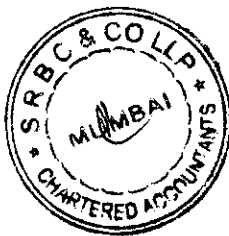
10. Loans and advances (Unsecured, considered good)

	Non-current		Current	
	31 March 2015 ₹	31 March 2014 ₹	31 March 2015 ₹	31 March 2014 ₹
Capital Advances	1,79,47,769	57,96,910	-	-
A	1,79,47,769	57,96,910	-	-
Security deposit				
-Unsecured, considered good	5,76,03,291	6,43,84,244	23,91,859	3,30,000
-Unsecured, considered doubtful	4,41,300	4,41,300	-	-
	5,80,44,591	6,48,25,544	23,91,859	3,30,000
Less: Provision for doubtful receivable	(4,41,300)	(4,41,300)	-	-
B	5,76,03,291	6,43,84,244	23,91,859	3,30,000
Advances recoverable in cash or kind				
-Unsecured, considered good	-	-	53,82,063	54,31,165
-Unsecured, considered doubtful	-	-	4,39,700	4,39,700
			58,21,763	58,70,865
Less: Provision for doubtful receivable			(4,39,700)	(4,39,700)
C	-	-	53,82,063	54,31,165
Other loans and advances				
MAT credit entitlement	-	83,25,191	-	-
Advance income-tax (net) *	30,63,10,185	31,64,78,030	-	-
Prepaid expenses	44,382	23,08,382	1,60,12,480	1,11,55,291
Balances with statutory / government authorities	-	-	49,60,327	98,99,565
D	30,63,54,567	32,71,11,603	2,09,72,807	2,10,54,856
Total (A+B+C+D)	38,19,05,627	39,72,92,757	2,87,46,729	2,68,16,021

* Includes ₹ 117,333,541 (previous year ₹ 146,987,804) receivable as per scheme of demerger. These are receivable upon completion of respective assessment proceedings of Axis Capital Limited.

11. Investments

	Non-current		Current	
	31 March 2015 ₹	31 March 2014 ₹	31 March 2015 ₹	31 March 2014 ₹
Investment- (non-trade, unquoted) (valued at cost or fair value, whichever is lower)				
Investment in mutual funds 9,676.240 Units (previous year nil units) in Axis Liquid Fund - Direct Plan- Growth option	-	-	1,50,00,000	-
	-	-	1,50,00,000	-



2

12. Trade receivables and other assets

12.1 Trade receivables

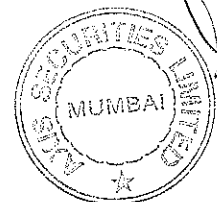
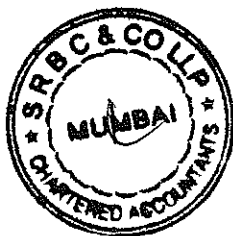
	Non-current		Current	
	31 March 2015 ₹	31 March 2014 ₹	31 March 2015 ₹	31 March 2014 ₹
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Unsecured, considered good	-	-	22,59,932	1,69,050
Doubtful	-	-	97,49,592	57,83,018
	-	-	1,20,09,524	59,52,068
Provision for doubtful debts (A)	-	-	(97,49,592)	(57,83,018)
	-	-	22,59,932	1,69,050
Other receivables				
Unsecured, considered good				
- Due from holding company	-	-	14,81,75,436	33,09,29,054
- Due from others	-	-	33,01,06,609	44,26,31,499
Doubtful	-	-	14,22,313	4,46,503
	-	-	47,97,04,358	77,40,07,056
Provision for doubtful receivables (B)	-	-	(14,22,313)	(4,46,503)
	-	-	47,82,82,045	77,35,60,553
Total (A) + (B)	-	-	48,05,41,977	77,37,29,603

12.2 Other assets (Unsecured, considered good)

	Non-current		Current	
	31 March 2015 ₹	31 March 2014 ₹	31 March 2015 ₹	31 March 2014 ₹
Non-current bank balances - Fixed Deposits (note 13)	11,75,00,000	7,00,00,000	-	-
Other receivables	-	-	-	5,51,81,574
Others				
Interest accrued on fixed deposits	58,68,695	28,84,867	4,83,28,566	7,00,09,665
Total	12,33,68,695	7,28,84,867	4,83,28,566	12,51,91,239

13. Cash and bank balances

	Non-current		Current	
	31 March 2015 ₹	31 March 2014 ₹	31 March 2015 ₹	31 March 2014 ₹
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	54,95,72,168	28,85,57,525
Cash on hand	-	-	-	1,15,537
	-	-	54,95,72,168	28,86,73,062
Other bank balances				
- Deposits with original maturity for more than 12 months	1,25,00,000	2,00,00,000	1,27,47,864	5,24,01,667
- Deposits with original maturity for more than 12 months under lien	10,50,00,000	5,00,00,000	99,55,34,205	1,06,40,00,000
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	7,91,00,000
- Deposits with original maturity for more than 3 months but less than 12 months under lien	-	-	-	-
	11,75,00,000	7,00,00,000	1,00,82,82,069	1,19,55,01,667
Amount disclosed under non-current assets (note 12.2)	(11,75,00,000)	(7,00,00,000)	-	-
Total	-	-	1,55,78,54,237	1,48,41,74,729



2

14. Revenue from operations

	31 March 2015 ₹	31 March 2014 ₹
Revenue from operations		
1. Income from business sourcing and resource management services	3,29,77,93,288	2,50,60,74,035
2. Professional fees	59,91,534	32,71,002
3. Brokerage income	1,00,96,31,818	48,53,35,799
4. Other operating income	10,42,63,989	3,13,03,277
Total	4,41,76,80,629	3,02,59,84,113

15. Other income

	31 March 2015 ₹	31 March 2014 ₹
Interest income on bank deposits	12,35,43,028	11,86,87,693
Profit on sale of investments	68,81,846	1,95,787
Dividend on preference shares	6,98,082	-
Miscellaneous income	2,59,350	8,900
Other non operating income	3,34,535	4,71,488
Total	13,17,16,841	11,93,63,868

16. Employee benefits expense

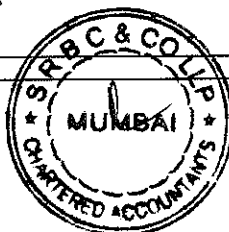
	31 March 2015 ₹	31 March 2014 ₹
Salaries, wages and bonus	3,05,05,90,203	2,35,02,01,901
Contribution to provident and other funds	17,10,04,376	13,41,47,712
Staff welfare expenses	72,26,792	60,61,424
Gratuity expense	1,04,27,308	74,83,163
Total	3,23,92,48,679	2,49,78,94,200

17. Finance charges

	31 March 2015 ₹	31 March 2014 ₹
Bank guarantee commission	45,19,197	4,62,088
Interest on overdraft	2,18,492	19,215
Total	47,37,689	4,81,303

18. Other expense

	31 March 2015 ₹	31 March 2014 ₹
Rent (premises)	9,38,07,379	8,57,76,183
Lease rental (computer server)	1,10,88,297	2,17,57,609
Stamp, registration and exchange charges	31,39,567	18,31,437
Franking charges	2,03,92,907	1,30,99,173
Advertisement and sales promotion	6,39,60,762	1,26,78,719
Rates and taxes	34,53,729	66,92,210
Insurance	8,73,981	5,49,882
Housekeeping expenses	1,55,74,923	92,55,419
Security charges	83,10,282	66,62,185
Repair and maintenance- others	71,55,306	1,00,35,796
Travelling and conveyance	3,20,80,944	3,44,44,050
Communication cost	4,91,80,063	3,91,13,848
Call center cost	2,84,70,120	2,77,47,563
Information technology expenses	7,39,83,687	7,16,70,532
Loss on sale of fixed assets	3,65,075	10,47,974
Printing & stationery	2,87,86,535	1,93,22,766
Legal and professional fees	96,95,271	1,26,26,471
Director's sitting fees	5,34,000	22,000
Auditors' remuneration :		
- Audit fee	21,99,999	20,00,000
- Out of pocket expenses	-	30,000
Expense towards Corporate Social Responsibility	4,98,500	-
Electricity and water charges	1,97,85,477	1,75,12,381
Office expenses	25,73,857	55,67,995
Membership & subscription fees	69,04,565	72,61,336
Recruitment and training expenses	1,94,40,612	1,66,10,939
Miscellaneous expenses	93,45,171	33,90,228
Commission paid	8,15,905	3,25,455
Provision for bad & doubtful debts	49,42,383	24,42,358
Acquisition of business expenses	60,44,000	93,53,000
ROC filing fees	-	75,02,344
Sub brokerage	4,97,93,468	2,58,42,363
Total	57,31,96,765	47,21,72,216



[Handwritten signature]

2

(Currency: ₹)

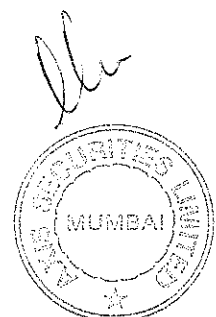
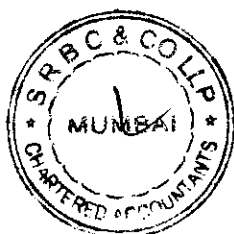
26 Segment information

Business segment	Principal activities		
Resources management and marketing of financial products ('Sales Division')	Division is involved in the business of marketing of third party retail asset products including providing resource management services.		
Retail broking ('Broking Division')	Share broking (online and offline mode) and other related activities including distribution of IPO and mutual funds and portfolio management services.		
For the year ended 31 March 2015			
Particulars	Sales Division	Retail Broking Division	Total
Segment revenue			
Gross income (external customers)	3,29,77,93,288	1,11,98,87,341	4,41,76,80,629
	(2,50,60,74,035)	(51,99,10,078)	(3,02,59,84,113)
Other income (external customers)	1,30,78,247	11,86,38,594	13,17,16,841
	(1,51,38,139)	(10,42,25,729)	(11,93,63,868)
Total revenue	3,31,08,71,535	1,23,85,25,935	4,54,93,97,470
	(2,52,12,12,174)	(62,41,35,807)	(3,14,53,47,981)
Operating expenses	2,97,67,66,998	90,28,27,771	3,87,95,94,769
	(2,29,52,99,002)	(72,42,85,127)	(3,01,95,84,129)
Unallocated expenses	-	-	5,34,000
	-	-	(22,000)
Profit/(loss) before tax	33,41,04,537	33,56,98,164	66,92,68,701
	(22,59,13,172)	(-100,149,320)	(12,57,41,852)
Taxation	-	-	(22,86,04,743)
	-	-	(1,00,26,630)
Segment result**	33,41,04,537	33,56,98,164	44,06,63,958
	(22,59,13,172)	(-100,149,320)	(13,57,68,482)
Segment assets	90,99,00,735	1,91,43,87,065	2,82,42,87,800
	(90,44,91,250)	(2,15,44,07,816)	(3,05,88,99,066)
Segment liabilities	33,29,95,996	70,27,35,108	1,03,57,31,104
	(24,97,43,245)	(1,24,45,23,708)	(1,49,42,66,953)
Net assets	57,69,04,739	1,21,16,51,957	1,78,85,56,696
	(65,47,48,005)	(90,98,84,108)	(1,56,46,32,113)
Fixed assets addition during the year	1,71,87,144	4,63,69,850	6,35,56,994
	(2,21,48,304)	(9,20,62,704)	(11,42,11,008)
Depreciation on fixed assets during the year	1,53,79,040	4,75,66,596	6,29,45,636
	(1,11,22,314)	(3,79,36,096)	(4,90,58,410)

*Figures in the bracket pertains to previous year ended 31 March 2014

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

**While computing Segment result, the loss of the business acquired from ACL for the period 20 Oct 2012 to 31 March 2013 are not considered.



2

Notes forming part of the financial statements

27 Related Party Transaction

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

Holding Company	Axis Bank Limited (w.e.f. 25 May 2013) Axis Capital Limited (upto 24 May 2013)
Key Management Personnel	Mr. Arun Thukral (Managing Director & CEO) (w.e.f 1 March 2014) (From 25 May 2013 to 28 Feb 2014 as Joint Managing Director) (From 20 Oct 2012 to 24 May 2013 as Director) Mr. Modan Saha (Director) (Upto 31st July 2014) (From 25 May 2013 to 28 Feb 2014 as Joint Managing Director) (From 20 Oct 2012 to 24 May 2013 as Director) Mr. Anand Shaha (Whole Time Director) (w.e.f 1 March 2014) Mr. Ajay Sheth (Director) (Upto 06 June 2013) Mr. Nitin Kapadia (Director) (Upto 06 June 2013)
Fellow Subsidiaries	Axis Capital Limited (ACL) (w.e.f 25 May 2013) Axis Asset Management Company Limited (AAMC) Axis Private Equity Limited (APEL) Axis Mutual Fund Trustee Limited (AMFT) Axis Trustee Services Limited (ATSL) Axis Bank UK Limited (ABUKL) Axis Finance Limited (AFL)
Step-down Subsidiary of Holding Company	Enam International Limited (EIL) (liquidated on 24th August, 2014) Axis Securities Europe Limited
Associate of Holding Company	Bussan Auto Finance India Private Limited (upto 30th March 2015)



A small, handwritten mark or signature in the bottom left corner of the page.

Axis Securities Limited

Notes forming part of the financial statements

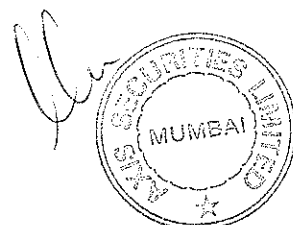
19. The Company has acquired certain businesses of ACL effective 20 October 2012 against a purchase consideration of 121,500,000 equity shares of ₹10 each fully paid up aggregating to ₹1,215,000,000 to be issued to the members of ACL (i.e. Axis Bank Limited). Profit of the acquired business of ACL for the period 20 October 2012 to 31 March 2013 have been shown in the statement of profit and loss of the Company for financial year 2013-14. As per the Honourable High Court order approving the Scheme, the excess of net assets acquired over the purchased consideration amounting to ₹387,525 has been recorded as capital reserve in the financial statements.

The carrying amounts of the total assets and liabilities acquired are as follows:

Particulars	19-Oct-12 (₹)
Assets	
Fixed assets net block (including intangible assets)	12,16,61,389
Loans & advances	19,09,20,086
Cash & bank balances	3,41,54,56,324
Trade receivables	46,75,88,730
Other deposits	21,05,21,940
Other current assets	1,78,04,817
Total assets (A)	4,42,39,53,286
Liabilities	
Trade payables	20,62,25,007
Short term borrowings	2,74,00,00,000
Provisions (short term and long term)	3,82,89,163
Creditors for capital expenditure	18,47,622
Other current liabilities	22,22,03,969
Total liabilities (B)	3,20,85,65,761
Net assets (A-B)	1,21,53,87,525
Consideration - 121,500,000 equity shares of ₹10 each fully paid up	(1,21,50,00,000)
Excess of net assets over purchase consideration i.e. capital reserve	3,87,525

The following is the extract of profit and loss account of acquired business of ACL for the period 20 October 2012 to 31 March 2013

Particulars	For the period 20 October 2012 to 31 March 2013 (₹)
Income	1,14,29,65,303
Expenditure	(1,12,97,45,673)
Profit / (loss) from operating activities	1,32,19,630
Finance costs	(5,82,223)
Depreciation and amortization expense	(1,85,48,800)
Profit / (loss) before tax	(59,11,393)
Income tax expense	
Current tax	93,00,000
Deferred tax	(9,92,868)
Profit/(loss) after tax	(1,42,18,525)



2

Notes forming part of the financial statements

20. Leases

Operating Lease:

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

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

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2014-15 (₹)	2013-14 (₹)
Minimum lease payments :		
Not later than one year	8,89,60,925	9,01,64,900
Later than one year but not later than five years	26,15,97,019	30,74,94,362
Later than five years	10,34,04,499	8,91,66,399
Lease payment for the year	10,48,95,675	10,78,69,810

21. Details of Foreign currency transactions

Expenditure in foreign currency

Subscription charges
Email charges

	2014-15 (₹)	2013-14 (₹)
Subscription charges	24,53,848	34,35,261
Email charges	13,57,023	11,45,162
	38,10,871	45,80,423

22. Gratuity and other benefit plans

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

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

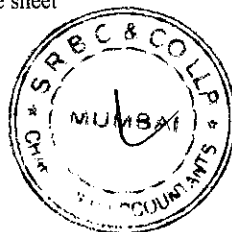
Net employee benefit expense (recognized in employee cost)

	2014-15 (₹)	2013-14 (₹)
Current service cost	45,68,053	42,02,441
Past service cost	-	-
Interest cost	16,81,575	17,03,683
Actuarial gain/(loss) on plan assets	-	-
Expected return on plan assets	(5,30,384)	(7,32,936)
Net actuarial (gain)/loss recognized in the year	47,08,064	23,09,975
Benefits paid	-	-
Net gratuity cost	1,04,27,308	74,83,163

Balance sheet

Details of provision for gratuity

	2014-15 (₹)	2013-14 (₹)
Present value of obligation as at the end of the year	2,92,91,118	2,36,81,558
Fair value of plan assets as at the end of the year	1,61,75,210	1,09,92,958
Net assets/(liability) recognized in balance sheet	(1,31,15,908)	(1,26,88,600)



[Handwritten signature]



[Handwritten mark]

Axis Securities Limited

Notes forming part of the financial statements

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

	2014-15 (₹)	2013-14 (₹)
Opening defined benefit obligation	2,36,81,558	71,11,323
Past service cost	-	-
Obligation taken over on acquisition	-	1,05,28,321
Current service cost	45,68,053	42,02,441
Interest cost	-	17,03,683
Actuarial (gain)/loss	49,31,948	25,57,627
Benefits paid	(55,72,016)	(24,21,837)
Closing defined benefit obligation	2,76,09,543	2,36,81,558

Change in fair value of plan assets are as follows:

	2014-15 (₹)	2013-14 (₹)
Opening fair value of plan assets	1,09,92,958	64,43,236
Asset taken over on acquisition	-	29,53,379
Expected return on plan assets	5,30,384	7,32,936
Actuarial gain/(loss)	2,23,884	2,47,652
Contribution by the employer	1,00,00,000	30,37,592
Benefits paid	(55,72,016)	(24,21,837)
Closing fair value of plan assets	1,61,75,210	1,09,92,958

The Company expects to contribute ₹ 10,000,000 to gratuity in the next year.

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

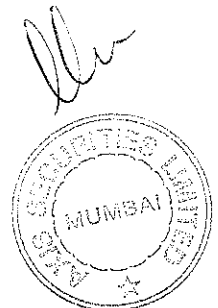
	For the year ended 31 March 2015	For the year ended 31 March 2014
Investment with insurer	100%	100%

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

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

	31-Mar-15	31-Mar-14
Discount rate	8.25%	8.70%
Expected rate of return on assets	7.50%	7.50%
Attrition rate	7.00%	7.00%
Salary escalation rate	7.00%	7.00%

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



(Handwritten mark)

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

	31-Mar-15 (₹)	31-Mar-14 (₹)	31-Mar-13 (₹)	31-Mar-12 (₹)	31-Mar-11 (₹)
Defined benefit obligation	2,92,91,118	2,36,81,558	71,11,323	48,69,559	36,15,828
Plan assets	1,61,75,210	1,09,92,958	64,43,236	55,50,980	48,24,658
Surplus / (deficit)	(1,31,15,908)	(1,26,88,600)	(6,68,087)	6,81,421	12,08,830
Experience adjustment on plan liabilities *	47,10,216	21,77,873	7,57,081	-	-
Experience adjustment on plan assets *	2,23,884	2,47,652	(69,387)	-	-

* Information pertaining to experience adjustments for previous year on plan assets and liabilities is not available with the Company.

23. At the beginning of the year there was no amount payable to any Micro, Small and/or Medium Enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006. The outstanding balance as on 31 March 2015 and 31 March 2014 are ₹ Nil.

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

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

Particulars	31-Mar-15 (₹)	31-Mar-14 (₹)
Deferred tax assets comprise timing difference on account of:		
Depreciation on fixed assets	(3,17,311)	(50,93,082)
Rent- Lease equilisation	39,54,868	29,84,587
Provision for doubtful debts	40,96,782	24,16,866
Gratuity	44,58,097	43,12,855
Acquisition expense allowable in future years	49,45,205	28,90,850
Total	1,71,37,642	75,12,076

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

	31-Mar-15 (₹)	31-Mar-14 (₹)
Commitment for addition/acquisition of broking software	1,14,14,250	84,56,750
Commitment for ERP software	2,80,000	7,00,000
Commitment for leasehold improvement and other capital assets	1,73,62,716	12,25,000
Total	2,90,56,966	1,03,81,750



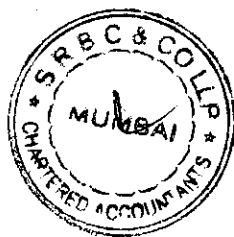
2

Notes forming part of the financial statements

27 Related Party Transaction

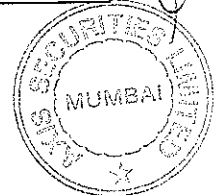
Names of related parties where control exists irrespective of whether transactions have occurred or not.

Holding Company	Axis Bank Limited (w.e.f. 25 May 2013) Axis Capital Limited (upto 24 May 2013)
Key Management Personnel	Mr. Arun Thukral (Managing Director & CEO) (w.e.f 1 March 2014) (From 25 May 2013 to 28 Feb 2014 as Joint Managing Director) (From 20 Oct 2012 to 24 May 2013 as Director) Mr. Modan Saha (Director) (Upto 31st July 2014) (From 25 May 2013 to 28 Feb 2014 as Joint Managing Director) (From 20 Oct 2012 to 24 May 2013 as Director) Mr. Anand Shaha (Whole Time Director) (w.e.f 1 March 2014) Mr. Ajay Sheth (Director) (Upto 06 June 2013) Mr. Nitin Kapadia (Director) (Upto 06 June 2013)
Fellow Subsidiaries	Axis Capital Limited (ACL) (w.e.f 25 May 2013) Axis Asset Management Company Limited (AAMC) Axis Private Equity Limited (APEL) Axis Mutual Fund Trustee Limited (AMFT) Axis Trustee Services Limited (ATSL) Axis Bank UK Limited (ABUKL) Axis Finance Limited (AFL)
Step-down Subsidiary of Holding Company	Enam International Limited (EIL) (liquidated on 24th August, 2014) Axis Securities Europe Limited
Associate of Holding Company	Bussan Auto Finance India Private Limited (upto 30th March 2015)



A handwritten mark or signature in the bottom left corner of the page.

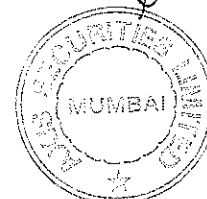
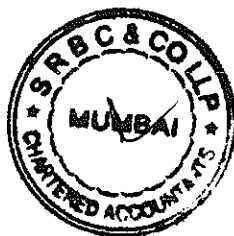
Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
Income				
Business sourcing fee income	1,74,25,54,040			1,74,25,54,040
	(1,40,11,71,899)			(1,40,11,71,899)
Resource management fee	1,44,02,45,440			1,44,02,45,440
	(1,01,51,19,608)			(1,01,51,19,608)
Resource management fees (AAMC)			9,31,15,066	9,31,15,066
			(7,84,78,113)	(7,84,78,113)
Bank interest	12,35,43,028			12,35,43,028
	(11,78,13,650)			(11,78,13,650)
Other income	-			-
	(77,900)			(77,900)
Other income (AAMC)			28,06,469	28,06,469
			(50,244)	(50,244)
Other income (ACL)			28,97,386	28,97,386
			(35,61,978)	(35,61,978)
Brokerage income (Mr. Modan Saha)		-		-
		(11,723)		(11,723)
Brokerage income (Mr. Arun Thukral)		1,05,784		1,05,784
		(38,595)		(38,595)
Brokerage income (Mr. Anand Shaha)		6		6
		(-)		(-)
Expenses				
Salaries (Mr. Arun Thukral)	1,02,27,016			1,02,27,016
	(78,46,105)			(78,46,105)
Salaries (Mr. Modan Saha)	-			-
	(76,09,588)			(76,09,588)
Salaries (Mr. Anand Shaha)		64,20,772		64,20,772
		(4,39,003)		(4,39,003)
Salaries (Ajay Sheth)		-		-
		(11,41,466)		(11,41,466)
Salaries (Nitin Kapadia)		-		-
		(6,83,134)		(6,83,134)
Nominee director sitting Fees	27,000			27,000
	(16,000)			(16,000)
Reimbursement for expenses	5,99,89,747			5,99,89,747
	(5,75,21,764)			(5,75,21,764)
Reimbursement for expenses (Modan Saha)		-		-
		(50,956)		(50,956)
Reimbursement for expenses (Arun Thukral)	94,482	36,593		1,31,075
	(1,94,485)	(7,382)		(2,01,867)
Bank charges & other charges paid	78,38,825			78,38,825
	(7,29,059)			(7,29,059)
Other expenses/ reimbursements (ACL)			8,05,618	8,05,618
			(-)	(-)
Other transactions				
Other reimbursement received	-			-
	(32,36,166)			(32,36,166)
Other reimbursement received (ACL)			-	-
			(78,95,466)	(78,95,466)
Other reimbursement received (AFL)			1,89,469	1,89,469
			(27,832)	(27,832)
Reimbursement of operating expenses	1,49,320	1,36,570		2,85,890
	-	(4,33,380)		(4,33,380)



Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
Advance received	21,00,00,000			21,00,00,000
	(25,00,00,000)			(25,00,00,000)
Transfer of assets & liabilities (net) on demerger			-	-
			(1,21,53,87,525)	(1,21,53,87,525)
Fixed assets- written down value reimbursement	-			-
	(39,61,682)			(39,61,682)
Purchase of fixed assets (ACL)			-	-
			(5,00,000)	(5,00,000)
Investment in preference shares (AAMC)			10,00,00,000	10,00,00,000
			(-)	(-)
Redemption of preference shares (AAMC)			10,00,00,000	10,00,00,000
			(-)	(-)
Dividend received on preference shares (AAMC)			6,98,082	6,98,082
			(-)	(-)
Dividend paid	18,06,25,000			18,06,25,000
	(-)			(-)
Guarantees received during the year	69,00,00,000			69,00,00,000
	(4,35,00,000)			(4,35,00,000)
Outstanding balance as at 31 March 2015				-
Axis Bank Limited- gaurantee received	73,35,00,000			73,35,00,000
	(4,35,00,000)			(4,35,00,000)
Other payables	46,80,03,736			46,80,03,736
	(26,25,56,430)			(26,25,56,430)
Accounts receivable-for services rendered	60,81,75,436			60,81,75,436
	(33,09,29,048)			(33,09,29,048)
Accounts receivable-for services rendered- (AAMC)			2,14,14,050	2,14,14,050
			(83,28,874)	(83,28,874)
Other receivables (AAMC)	-		8,85,892	8,85,892
	(19,87,744)		(-)	(19,87,744)
Other receivables (ACL)			4,470	4,470
			(-)	-
Other receivables (AFL)			25,583	25,583
			(5,711)	(5,711)
Current account	48,13,64,040			48,13,64,040
	(27,08,85,127)			(27,08,85,127)
Fixed deposit balance	1,17,99,79,330			1,17,99,79,330
	(1,33,83,96,183)			(1,33,83,96,183)

Notes

- 1) As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.
- 2) Related party relationship have been identified by the management and relied upon by the auditors.
- 3) There is no transaction during the year with associates.
- 4) Figures in bracket represents corresponding amount of previous year.



Notes forming part of the financial statements

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

	31-Mar-15 (₹)	31-Mar-14 (₹)
Axis Bank Limited	73,35,00,000	4,35,00,000
Total	73,35,00,000	4,35,00,000

29. Earnings per share ('EPS')

	2014-15 (₹)	2013-14 (₹)
Profit/ (loss) after tax	44,06,63,960	12,15,49,957
Net profit/ (loss) for calculation of basic and diluted EPS	44,06,63,960	12,15,49,957
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	14,45,00,000	14,31,84,932
Basic earnings per share	3.05	0.85
Diluted earnings per share	3.05	0.85

30. Contingent liability :

Claims against the Company not acknowledged as debt.

(Amount in ₹)

Nature of statute	Description	Forum where dispute is pending	As on 31 March 2015	As on 31 March 2014
Stamp Act*	Penalty on Stamp Duty	MP High Court	18,13,193	18,13,193
Income Tax*	Penalty	ITAT	3,72,508	63,39,561
Income Tax*	Penalty	CIT (A)	21,16,747	4,51,234
Investor's grievance redressal panel (NSE- Vadodara)	IGRP proceedings	IGR panel	18,00,000	-

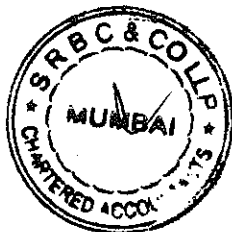
* The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. No penalty has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material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

31. (a) Opening and closing stock

Category	Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value
Equity shares	Nil	Nil	Nil	Nil

(b) Purchase and sale

Category	Purchase		Sale	
	Quantity	Value	Quantity	Value
Equity shares	73,498	1,47,77,512	73,498	1,47,68,830
	(55,124)	(1,47,06,361)	(55,124)	(1,47,01,070)
Derivatives	57,575	89,95,283	57,575	88,63,114
	(7,51,250)	(1,46,44,977)	(7,51,250)	(1,46,39,739)



Q

Notes forming part of the financial statements

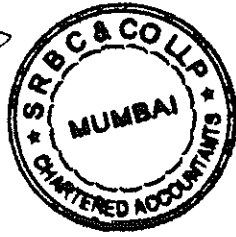
32. During the year, the holding company issued 15,000 (Previous year: 21,000) of stock options (pre-split of Face Value) to some employees of the holding company who are on deputation with the Company. Since these stock options are issued by the holding company directly to the employees of the holding company and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financials statements.

33. Previous year comparatives

In view of the acquisition of business with effect from 20 October 2012, as mentioned in the note 2, the figures for the current year are not comparable with corresponding figures of the previous year and figures have been regrouped wherever necessary.

For S. R. B.C. & Co. LLP
Firm Registration No.: 324982E
Chartered Accountants

Jitendra H. Ranawat



per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2015

For and on behalf of the board of Directors

Rajiv Anand
Rajiv Anand
Chairman
DIN No: 02541753

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

Hemantkumar Patel
Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N



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

Shilpi Jaiswal
Shilpi Jaiswal
Company Secretary
PAN: AVXPK2326B

R