

DIRECTORS' REPORT

DEAR MEMBERS

Your Directors have pleasure in presenting the 11th Annual Report and the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

FINANCIAL PERFORMANCE:-

During the year, the Company achieved a total income of Rs. 7,561,325,746/-

The highlights of the financial Results of your Company for the year ended March 31, 2017 are given below:

(Figures in Rs.)

Particulars	2016-17	2015-16
Operating Income(A)	7,465,960,762	5,505,520,934
Interest Income on Fixed Deposits and Miscellaneous Income (B)	95,364,984	113,349,120
Total Income (A)+(B)	7,561,325,746	5,618,870,054
Operating Expenses	6,674,964,209	4,988,677,456
Profit/(Loss) before Depreciation & provisions for tax	8,86,361,537	630,192,598
Depreciation	99,993,118	81,508,480
Provisions for Tax	271,402,379	191,857,152
Profit / (Loss) After Tax	514,966,041	356,826,965
Surplus in Statement of profit and loss account	337,589,336	190,679,171
Appropriation		
Transfer to General Reserve	51,500,000	36,000,000
Dividend	177,012,500	144,500,000
Dividend Distribution Tax	36,035,580	29,416,800
Balance carried to Balance Sheet	588,007,297	337,589,336

BUSINESS OVERVIEW & REVIEW OF OPERATIONS:-

In FY17 Retail Broking has achieved overall revenue of Rs.171.40 Crs which is 31% higher than Rs. 130.17 Crs in FY16 and acquired 3.8 Lac customers registering a YoY growth of 20%.

Retail Assets did a total business of Rs. 27430 Cs in FY 2016-17, the details of which are as follows:

Sr. No.	Product	FY 2015-16	FY 2016-17	% Growth
		(Rs. in crores)	(Rs. in crores)	
1.	Home Loan	10750	11440	6%
2.	Loan Against Property	3112	3705	19%
3.	Personal Loan	5500	6540	19%
4.	Auto Loan	4166	5745	38%
5.	SME	3700	3917	6%
6.	Credit Card	775961	1159100	49%
7.	SBB	1372	2086	52%

The Company continues to provide good support to the overall Retail Assets business of Axis Bank Limited. The Home Loans contribution stands at 55%, Loan against Property at 59%, Personal Loans at 76 % and Auto Loans contribution is at 88%.

In FY 2016-17, the Small and Medium Enterprise (SME) business witnessed a 6 % Year on Year (YoY) growth with Rs. 3917 Cr as compared to Rs. 3700 Crs in FY 2015-16, whereas the Credit Card business has grown by 49% in the number of cards issued to 11,59,100 customers as compared to 7,75,961 customers in FY 2015-16. SBB business has shown a YoY growth of 52% with Rs. 2086 Crs disbursed in FY 2016-17 as compared to Rs. 1372 Crs in FY 2015-16.

DIVIDEND:-

During the financial year 2016-17, the Board of Directors declared and paid an Interim Dividend at the rate of Re. 1.225/- per equity share of Rs. 10/- each, absorbing a sum of Rs. 17,70,12,500/- towards dividend amount and Rs. 36,035,580/- 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 2016-17. The Dividend, if approved by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2016-17.

GENERAL RESERVE:-

The Company in accordance with Section 123 of the Companies Act, 2013 ("the Act"), has transferred a sum of Rs. 51,500,000/- to the General Reserve account.

MATERIAL CHANGE AND COMMITMENT:-

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

Company to which the Financial Statements relate and 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 Act in Form - MGT 9 is enclosed herewith as **Annexure - A.**

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

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

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

Risk Management is a key function in a Stock Broking Company. Real-time monitoring of overall exposure of the Company is required from the point of view of Risk Control. In volatile markets, robust Risk Management policies are must. The Company has adopted a comprehensive Risk Management Policy identifying various elements of risks, risk parameters and risk containment measures. The Company has strong automated risk management systems in place. The risk system monitors various trades and positions of the clients on real-time basis with the help of real time data feeds from Exchanges. The system also generates automated alerts in case of specified events based on the set parameters. A dedicated risk team monitoring the risk systems acts promptly on such alerts.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:-

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies,

procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and protected adequately.

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

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

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

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

BOARD OF DIRECTORS, MEETINGS, EVALUATION ETC.:-

Board of Directors:-

During the year under review, Mr. Jairam Sridharan (DIN: 05165390), Director of the Company has resigned from the Board of Directors of the Company with effect from April 06, 2016. The Directors placed on record their warm appreciation for valuable contributions made by Mr. Jairam Sridharan, the outgoing Director.

During the year under review, the Company has appointed Mr. Babu Rao Busi (DIN: 00425793) as Additional Director in the capacity of Independent Director of the Company with effect from April 6, 2016 and has appointed Mr. Jagdeep Mallareddy (DIN: 07492539) as Additional Director of the Company with effect from April 13, 2016. Thereafter, the members of the Company at their Annual General Meeting held on June 2, 2016 had appointed Mr. Babu Rao Busi as Independent Director of the Company with effect from April 6, 2016 and Mr. Jagdeep Mallareddy as Director of the Company with effect from April 13, 2016.

During the year under review, the Company re-appointed Mr. Anand Kumar Shah (DIN: 02421213) as a Whole Time Director and Key Managerial Personnel of the Company for a period of three years from March 1, 2017 to February 29, 2020, subject to the approval of the shareholders of the Company and Central Government, if any, since his term as Whole Time Director of the Company expired on February 28, 2017.

Mr. Jagdeep Mallareddy retires by rotation and, being eligible, offers himself for re-appointment.

Number of Meetings:-

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

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

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

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

Evaluation of the Board was done by a Separate Meeting of Independent Directors held under Chairmanship of Mr. Babu Rao Busi, Independent Director (without attendance of non – Independent Director and members of the Management) on March 9, 2017.

Performance evaluation of non – Independent Directors namely Mr. Rajiv Anand (DIN: 02541753), Mr. Jagdeep Mallareddy (DIN: 07492539), Mr. Ramesh Kumar Bammi (DIN: 03411046), Mr. Arun Thukral (DIN: 03043072) and Mr. Anand Kumar Shaha (DIN: 02421213) was done by Separate meeting of Independent Directors.

Evaluation of Independent Directors namely Mr. Babu Rao Busi and Ms. Nithya Easwaran was done (excluding the Director who was evaluated) by the Board of Directors of the Company in its meeting held on April 13, 2017.

Declaration by Independent Director:-

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

Key Managerial Personnel:-

During the year under review, the Company re-appointed Mr. Anand Kumar Shaha as a Whole Time Director and Key Managerial Personnel of the Company for a period of three years from March 1, 2017 to February 29, 2020, subject to the approval of the shareholders of the Company and Central Government, if any.

SHARE CAPITAL:-

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

PUBLIC DEPOSITS:-

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

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

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

During the year under review, the Company has spent Rs. 4,407,671/- (Rupees Forty Four Lacs Seven Thousand Six Hundred and Seventy One only) in Foreign exchange towards technology and other expenses. The Company has not earned any foreign exchange. The details of the Foreign exchange outflow are enclosed in **Annexure -B**.

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

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

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

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

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company. 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 provided in **Annexure - D** 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) recognized the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its clients, employees, society and other stakeholders. The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community.

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

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken three projects namely (i) Pradan (ii) Kherwadi Social Welfare Association (KSWA) for Yuva Parivartan and (iii) Consumer Education & Awareness programs. Project Pradan was directed towards creating sustainable farm based livelihoods and enhancing family income of SHG families in Madhya Pradesh & Chhattisgarh, whereas Project KSWA was directed towards providing vocational training to school drop outs, assisting in job placements and encouraging self-employment amongst the youth in Marathwada & Vidarbha regions of Maharashtra. Both Pradan and KSWA projects were through Axis Bank Foundation. Project on Consumer Education programs was undertaken by the Company itself towards conducting programs to create awareness amongst investors across India. All the above 3 projects are in accordance with Schedule VII of the Act.

During the year under review, the Company has spent Rs. 90,84,317/- (Rupees Ninety Lacs Eighty Four Thousand Three Hundred and Seventeen Rupees Only) towards CSR

activity undertaken. For detailed report refer **Annexure - E**, Out of the total amount contributed towards CSR, Rs. 71,00,000./- (Rupees Seventy One Lacs Only) was spent through Axis Bank Foundation and Rs. 19,84,317/- (Rupees Nineteen Lacs Eighty Four Thousand Three Hundred and Seventeen Rupees Only) was spent towards Consumer Awareness programs.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE:-

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

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

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

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

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

a.	Number of complaints received during the year	:	07
b.	Number of complaints disposed off during the year	:	07
c.	Number of cases pending for more than 90 days	:	NIL
d.	Number of workshops or awareness programs carried out against sexual harassment	:	Organized workshops & awareness programs at regular intervals.

DIRECTORS RESPONSIBILITY STATEMENT:-

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

- i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.
- ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year ended March 31, 2017.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts of the Company have been prepared on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCES

The 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 re-appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 11th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company subject to

ratification of such appointment in every Annual General Meeting till such 12th Annual General Meeting.

ii. Secretarial Auditors:

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

iii. Internal Auditors:-

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

CORPORATE GOVERNANCE:-

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

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

FUTURE OUTLOOK:-

Retail Broking:

Q4 FY17 has been a breakthrough quarter with few important events that are going to shape the economy in the near future. General Budget 2017 (which had Railway budget merged in it) was presented one month ahead on February 1, 2017 in order to complete all the processes of passing the budget before the new financial year so that the spending starts from day 1. GST has become a reality with a scheduled date of launch on

July 1, 2017. Overall Q3 FY17 results have been better than expectations, especially on consumption side against wide expectations that consumer sentiments would have been impacted sharply in Q3 due to demonetization exercise undertaken on November 8, 2016. The UP election results indicated political stability and possible continuity for Central Government beyond 2019. Combination of all these factors was reflected in the positive sentiments in Indian markets that gained 11% in January, 2017 – March, 2017.

Domestic demand led by pent up demand from the good monsoon 2016 and 7th pay commission awards disbursement along with good Rabi harvest is expected to drive the consumption in FY18. So far, the corporate earnings have been flat for the last 3 years, we expect mid-teen growth in the corporate earnings for FY18. Though the implementation of GST will have few teething issues initially, it will contribute to GDP as the system matures over next 12-18 months. We expect the Central Government to push for few industry friendly reforms like labour reforms and resolution for NPA related issues which will help create jobs and propel the economy towards the much coveted double digit growth.

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

1. Launching of new web based trading interface with streaming market watch & charting tools for advanced users.
2. Introduce T-Button feature, across portal pages that will allow customer to place trades from anywhere on the portal quickly.
3. Launching notifications module including general, research and personal notification with an objective to increase customer engagement and transactions.
4. Setting up data warehouse project with an objective to build repository of information across various systems & provide customized offering.

Retail Sales:

The Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. Positive business sentiments, improved consumer confidence are likely to drive the country's economic growth. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth.

Also, the advancements in technology have brought the mobile and internet banking services to the fore. The banking sector is laying greater emphasis on providing improved

services to their clients and also upgrading their technology infrastructure, in order to enhance the customer's overall experience as well as give banks a competitive edge.

As options for online and mobile loan origination and servicing grow, banks will have to align themselves for maximum participation in the digital segment. This will further augment cost cutting and also increase reach of the banks.

New regulations, shifting demographics and increasing reliance on self-service capabilities are motivating lenders to find new ways to help people finance homes, cars, education and small businesses.

Financial organizations, having built a strong retail focus over the years, will try and further mitigate risks by extensively using data analytics and automation to assess the credit behavior of customers and lending customer with maximum retention value.

The government decision for demonetization in the third quarter has also resulted in reduction of MCLR of most financial organizations. Now Banks flush with liquidity, in a falling interest rate scenario, is a perfect recipe for boosting lending. But limited borrowing appetite by leveraged corporate and medium borrowers, may fail to spur loan growth in the short run at the required rate due to liquidity issues and corporate may employ a wait and watch strategy before making major investment and financial decisions.

The recent policy amendments have given a boost to affordable housing, both on the demand side as well as the supply side. With an infrastructure status to affordable housing, there is good scope for access to cheaper sources of funds and that too for the long term.

ACKNOWLEDGEMENT:-

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



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

For and on Behalf of the Board of Directors


RAJIV ANAND
(DIN: 02541753)
CHAIRMAN

Place: Mumbai

Date : April 13, 2017

Form No.MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017**

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	U74992MH2006PLC163204
ii.	Registration Date	:	21/07/2006
iii.	Name of the Company	:	Axis Securities Limited
iv.	Category / Sub-Category of the Company	:	Public Unlisted Company
v.	Address of the Registered office and contact details	:	Axis House, 8 th Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra, India. Telephone No - 022 24252009 Email id – lovelina.faroz@axissecurities.in
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008, India Telephone No - +91 040 67161604

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Business Sourcing & Resource Management	99831130	77.33%
2.	Brokerage on Securities	99715210	22.67%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	Axis Bank Limited Trishul, 3 rd Floor, Opp Samartheshwar Temple, Law Garden	L65110GJ1993PL C020769	Holding	99.999958 %	2(46)

	Ellisbridge, Ahmedabad 380006				
2.	Axis Capital Limited Axis House, 8th floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U51900MH2005P LC157853	Group Company	NIL	---
3.	Axis Finance Limited Axis House, Ground floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65921MH1995P LC212675	Group Company	NIL	---
4.	Axis Asset Management Company Limited Axis House, 1st floor, C-2, Wadia International centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65991MH2009P LC189558	Group Company	NIL	---
5.	Axis Private Equity Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2006P LC165039	Group Company	NIL	---
6.	Axis Mutual Fund Trustee Limited Axis House, 1st floor, C-2, Wadia International centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2009P LC189325	Group Company	NIL	---
7.	Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U74999MH2008P LC182264	Group Company	NIL	---
8.	A. Treds Limited Axis House, C-2, Wadia International centre, P. B Marg, Worli, Mumbai -	U74999MH2016P LC281452	Group Company	NIL	---

	400025						
9.	Axis Bank U.K. Limited Kings House, (4th Floor), 36-37, Kings Street, London, England.	7554558		Group Company	NIL	---	
10.	Axis Securities Europe Limited 10 Orange Street, WC2H 7DQ, London, England	5540630		Group Company	NIL	---	

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

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
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	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	--	60	60	0.000042%	--	60	60	0.000042%	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	--	60	60	0.000042%	--	60	60	0.000042%	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	--	60	60	0.000042%	--	60	60	0.000042%	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	144,499,934	66	144,500,000	100%	144,499,934	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
1.	At the beginning of The year	-	-	-	-
2.	Datewise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3.	At the End of the year	-	-	-	-

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
1.	At the beginning of The year	30	0.000021%	30	0.000021%
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	06/04/2016 *10 equity shares held by Mr. Jairam Sridharan.	0.000007%	10	0.000007%
3.	At the End of the year (or on the date of separation, if separated during the year)	40	0.000028%	40	0.000028%

*Change is on account of resignation of Mr. Jairam Sridharan as Director of the Company w.e.f April 6, 2016.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
1.	At the beginning of The year	30	0.000021%	30	0.000021%
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	06/04/2016 *(10) equity shares held by Mr. Jairam Sridharan.	0.000007%	10	0.000007%
3.	At the End of the year	20	0.000014%	20	0.000014%

***Change is on account of resignation of Mr. Jairam Sridharan as Director of the Company w.e.f April 6, 2016.**

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition				
• Reduction (Maximum outstanding of Overdraft facility Rs. 9,81,00,000)				
Net Change	-	-	-	-
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)	-	-	-	-

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Arun Thukral, Managing Director & CEO	Anand Kumar Shaha, Whole Time Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	12,133,478	7,168,088	19,301,566
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as %of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	12,133,478	7,168,088	19,301,566
	Ceiling as per the Act	5 % of the net profit	5 % of the net profit	10% of the net profit

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Rajiv Anand	Jairam Sridharan	Babu RaoBusi	Nithya Easwaran	Ramesh Kumar Bammi	Jagdeep Mallareddy	
1.	Independent Directors • Fee for attending Board & Committee meetings • Commission • Others, please specify	---	---	---	3,00,000	3,50,000	---	650,000
	Total (1)	---	---	---	3,00,000	3,50,000	---	650,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	---	---	---	---	---	---	---
	Total (2)	---	---	---	---	---	---	---
	Total (B)=(1+2)	---	---	---	3,00,000	3,50,000	---	650,000
	Total Managerial Remuneration	---	---	---	3,00,000	3,50,000	---	650,000
	Overall Ceiling as per the Act	---	---	---	---	---	---	1% of the net profit

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


Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Lovelina Faroz, Company Secretary	Mr. Hemant Patel, CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	1,088,984	3,824,864	4,913,848
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	1,088,984	3,824,864	4,913,848

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Axis Securities Limited



Rajiv Anand
(DIN: 02541753)
CHAIRMAN

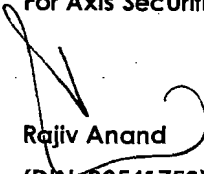
Place: Mumbai

Date : April 13, 2017

ANNEXURE- B
PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS

Name of the Party	Particulars of purpose	Amount of Outflow (In Rupees) FY 2016-17
Citrix Systems Asia Pacific PTY LTD	Online Web Conference Subscription	2,039,030
Hyperoffice	Email Subscription	135,745
Shutter Stock Inc	Subscription for obtaining images towards printing materials	246,998
Screener	Technical subscription for research	450,000
Success Factor	Online portal	666,086
Apnic PTY LTD Australia	Annual Membership	118,864
Grand Excelsior Hotel	Axis Securities Customer Meet and GCC Champs Facilitation – Dubai	475,235
Yas Waterworld	Axis Securities Customer Meet and GCC Champs Facilitation – Dubai	231,515
Travelling and Conveyance expenses	Axis Securities Customer Meet and GCC Champs Facilitation – Dubai	44,199
Total		4,407,671
	FY 15-16	3,729,323

For Axis Securities Limited


Rajiv Anand
 (DIN: 02541753)
CHAIRMAN

Place: Mumbai

Date : April 13, 2017

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 (Associate Company) 2. Axis Asset Management Company Limited (Common director / Associate Company) 3. Axis Bank Limited (Holding Company)
----	--	---	---

		4. Axis Capital Limited (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. Continuous 3. Continuous 4. Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	: 1. Refer Financial statements
e)	Date (s) of approval by the Board, if any	: 1. 14.04.2016 2. 29.07.2016 3. 08.02.2017
f)	Amount paid as advances, if any	: NIL

For Axis Securities Limited



Rajiv Anand
(DIN: 02541753)
CHAIRMAN

Place: Mumbai

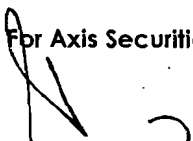
Date : April 13, 2017

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

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

Note: Vide circular dated June 30, 2016 issued by the Ministry of Corporate Affairs, the limit of the remuneration has been increased from Rs. 5,00,000/- p.m. / Rs. 60,00,000/- p.a to Rs. 8,50,000/- p.m. / Rs. 1,02,00,000/- p.a.

For Axis Securities Limited


Rajiv Anand
(DIN: 02541753)
CHAIRMAN

Place: Mumbai
Date : April 13, 2017

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


1.	Brief Outline of the CSR Policy	:	The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community. For detailed policy, please refer our website www.axissecurities.in
2.	The Composition of the CSR Committee	:	Mr. Ramesh Kumar Bammi – Chairman Mr. Arun Thukral - Member Mr. Jagdeep Mallareddy – Member Ms. Nithya Easwaran – Member (Independent Director)
3.	Average Net Profit of the Company for last 3 financial years	:	Rs. 450,192,460/-
4.	The Prescribed CSR expenditure (2% of amount)	:	Rs. 9,003,849/-
5.	Details of CSR activities/projects undertaken during the year:		
	a. Total amount to be spent for the financial year	:	Not exceeding Rs. 91,00,000/-
	b. Amount unspent, if any	:	NIL
6.	Reason for not spending the amount	:	NIL
7.	Responsibility statement by the CSR Committee that the CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company	:	Yes

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

S. No	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	Creating sustainable farm based livelihoods and enhancing family income of SHG families	Promoting gender equality and women empowering	Other area, Madhya Pradesh & Chhattisgarh	Not exceeding Rs. 91,00,000/-			
2.	Providing vocational training to school drop outs, assisting in job placements and encouraging self-employment amongst the youth	Employment enhancing vocational skills	Marathwada & Vidarbha regions, Maharashtra		Rs. 71,00,000/-	Rs. 71,00,000/-	Through implementing agency
3.	Consumer Education and Awareness Programs	Consumer Protection Services	Pan India		Rs. 1,984,317/-	Rs. 1,984,317/-	Direct
Total				Not exceeding Rs. 91,00,000/-	Rs. 90,84,317/-	Rs. 90,84,317/-	



Arun Thukral
Managing Director & CEO
DIN: 03043072



Ramesh Kumar Bammi
Chairman
DIN: 03411046

Place: Mumbai
Date : April 13, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To

The Members

Axis Securities Limited

Axis House, 8th Floor,

Wadia International Centre,

Pandurang Budhkar Marg,

Worli, Mumbai – 400025.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Securities Limited** (hereinafter called 'the Company') for the year ended on 31st March, 2017 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (c) The Securities and Exchange Board of India (Stock Brokers and Sub- Brokers) Regulations, 1992
- (d) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014

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

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

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

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

We further report that–

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

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

BNP

& Associates
Company Secretaries

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

We further report that –

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

For BNP & Associates
Company Secretaries



Prakash K. Pandya

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

Place: Mumbai

Date: 05th April, 2017

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

Annexure A

To,
The Members,
Axis Securities Limited

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

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

Place:- Mumbai

Date:- 05th April, 2017



For BNP & Associates
Company Secretaries

Prakash K. Pandya

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

INDEPENDENT AUDITOR'S REPORT**To the Members of Axis Securities Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Axis Securities Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

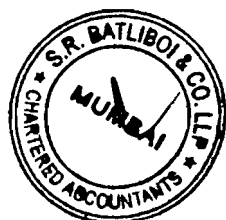
Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. The Company has provided requisite disclosures in Note 32 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

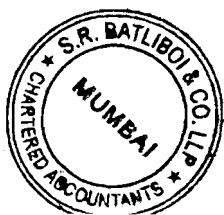
per 
Jitendra H. Ranawat

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: 13 April 2017



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Axis Securities Limited ('the Company')

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

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Stamp duty Act of the state Madhya Pradesh	Stamp duty	18,13,193	2011-12	Collectors of Stamps, Indore (Madhya Pradesh)



Income Tax	Penalty	3,72,508	2006-07	ITAT
Income Tax	Penalty	16,65,513	2011-12	Commissner of Income tax
Income Tax	Penalty	4,51,234	2010-11	Commissner of Income tax
Income Tax	Penalty	3,07,01,225	2013-14	Commissner of Income tax

As informed, provision of sales tax, custom duty, wealth tax and excise duty are currently not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) We have been informed that there have been instances of fraud by certain employees of the Company amounting to Rs.20,06,575 in respect of selling of third party's financial products. Investigations related to these cases are closed. The Company has since terminated the services of these employees and has also recovered Rs.4,08,171. There is no financial loss to the Company since the concerned third party has to bear the loss of Rs.15,98,404 as per agreed terms
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



S.R. BATLIBOI & Co. LLP

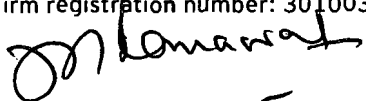
Chartered Accountants

Axis Securities Limited
Auditor's report for the year ended 31 March 2017

Page 3 of 3

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
Firm registration number: 301003E/E300005



per Jitendra H. Ranawat
Partner
Membership No.: 103380

Place: Mumbai
Date: 13 April 2017



S.R. BATLIBOI & Co. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AXIS SECURITIES LIMITED

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

To the Members of Axis Securities Limited

We have audited the internal financial controls over financial reporting of Axis Securities Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AXIS SECURITIES LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: 13 April 2017



AXIS SECURITIES LIMITED
(A subsidiary of Axis Bank Ltd)
AUDITED RESULT FOR THE PERIOD ENDED 31 March 2017

Axis Securities Limited			
Balance sheet as at 31st March 2017			
Particulars	Notes	31 March 2017 ₹	31 March 2016 ₹
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	1,445,000,000	1,445,000,000
Reserves and surplus	4	828,384,822	526,466,861
Non-current liabilities			
Other long term liabilities	5	3,788,410	5,263,375
Long term provisions	6	41,026,247	34,622,518
Current liabilities			
Trade payables	7	1,211,676,963	390,730,490
Other current liabilities	8	715,316,866	571,921,770
Short term provisions	6	238,641,560	183,718,807
Total		4,483,834,868	3,157,723,821
II. ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	9	289,693,535	227,045,842
Intangible assets	9	54,582,590	34,428,547
Deferred Tax Asset (net)	22	21,878,113	21,280,492
Loans and advances	10	625,501,703	563,874,690
Other non current assets	11.2	6,280,829	3,530,093
Current assets			
Trade receivables	11.1	1,332,701,854	466,307,180
Short term loans and advances	10	130,372,004	116,512,279
Cash and bank balances	12	1,561,511,554	1,666,236,143
Other current assets	11.2	461,312,686	58,508,556
Total		4,483,834,868	3,157,723,821

Significant accounting policies

2.1

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

As per our report of even date

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

Jitendra H. Ranawat

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2017



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

Lovclina Faroz
Lovclina Faroz
Company Secretary
PAN: AARPF3613K



Axis Securities Limited			
Statement of Profit and Loss for the year ended 31st March 2017			
Particulars	Notes	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
Revenue from operations	13	7,465,960,762	5,505,520,934
Other income	14	95,364,984	113,349,120
Total revenue		7,561,325,746	5,618,870,054
Expenses:			
Employee benefit expense	15	5,951,487,947	4,372,614,082
Depreciation and amortization expense	9	99,993,118	81,508,480
Finance charges	16	5,074,835	5,571,391
Other expenses	17	718,401,426	610,491,984
Total expenses		6,774,957,326	5,070,185,937
Profit before tax		786,368,420	548,684,117
Tax expense:			
Current tax		(272,000,000)	(196,000,000)
Deferred tax		597,621	4,142,848
Total Tax		(271,402,379)	(191,857,152)
Profit after tax		514,966,041	356,826,965
Earnings per equity share (nominal value of share ₹10) (31 March 2017: ₹10)]			
Basic		3.56	2.47
Diluted		3.56	2.47

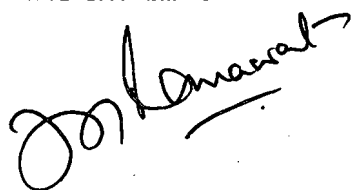
Significant accounting policies

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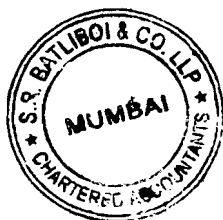
The accompanying notes are an integral part of the financial statements.

As per our report of even date


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

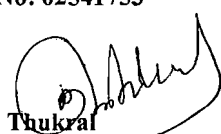


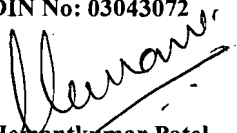
per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2017



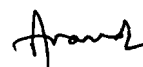
For and on behalf of the board of Directors

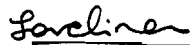

Rajiv Anand
Chairman
DIN No: 02541753


Arun Thukral
Managing Director & CEO
DIN No: 03043072


Hemant Kumar Patel
Chief Financial Officer
PAN: AGOPP9611N




Anand Shaha
Whole-time Director
DIN No: 02421213


Lovelina Faroz
Company Secretary
PAN: AARPF3613K

2

Axis Securities Limited		
Cash flow statement for the year ended 31 March 2017		
Particulars	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
Cash flow from operating activities		
Profit before taxes	786,368,420	548,684,117
Non cash & non operating adjustments:		
Interest income	(84,768,427)	(103,893,488)
Depreciation and amortization	99,993,118	81,508,480
Finance charges	5,074,835	5,571,391
Profit from sale of investments	(8,710,620)	(8,925,410)
Provision for doubtful debts	(4,521,446)	5,182,109
Loss on sale of fixed assets	3,227,494	1,471,793
Operating profit before working capital changes	796,663,374	529,598,992
Movement in working capital:		
Decrease / (increase) in long term loan & advances	(5,535,909)	1,283,697
Decrease / (increase) in short term loan & advances	(13,859,725)	(87,765,550)
Decrease / (increase) in trade receivables	(861,873,228)	9,052,688
Decrease / (increase) in other current assets	(430,000,000)	-
Increase / (decrease) in other long term liabilities	(1,474,965)	(4,501,763)
Increase / (decrease) in long term provisions	6,403,729	17,198,119
Increase / (decrease) in short term provisions	143,395,097	167,541,509
Increase / (decrease) in trade payables	820,946,473	(65,357,392)
Increase / (decrease) in other current liabilities	54,922,753	35,645,383
Cash generated from operations	509,587,599	602,695,683
Direct taxes paid (net of refund)	(328,091,105)	(379,252,761)
Net cash from operating activities	181,496,494	223,442,922
Cash flow from investing activities		
Purchase of fixed assets	(186,604,653)	(173,557,671)
Proceeds from sale of fixed assets	582,305	507,339
(Investment) / redemption in bank fixed deposit (net)	(2,375,000)	126,747,864
Investment in mutual funds	(8,165,700,000)	(4,483,100,000)
Redemption of mutual funds	8,174,410,618	4,507,025,409
Decrease / (increase) in fixed deposit under lien with exchange	302,400,000	(279,465,795)
Interest received	111,588,562	99,552,100
Net cash from investing activities	234,301,832	(202,290,756)
Cash flow from financing activities		
Finance charges	(5,074,835)	(5,571,391)
Dividend paid (including distribution tax)	(213,048,080)	(173,916,800)
Net cash from financing activities	(218,122,915)	(179,488,191)
Net increase in cash and cash equivalents	197,675,411	(158,336,025)
Cash and cash equivalents at the beginning of the period	391,236,143	549,572,168
Cash and cash equivalents at the end of the period	588,911,554	391,236,143
Components of cash and cash equivalents as at 31 March 2017		
Cash in hand	10,000	-
With scheduled bank -		
On current account	588,884,237	391,236,143
Balance in prepaid cards	17,317	-
Total	588,911,554	391,236,143

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

As per our report of even date

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

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2017



For and on behalf of the board of Directors

Rajiv Anand
Chairman
DIN No: 02541753

Arun Thakral
Managing Director & CEO
DIN No: 03043072

Hemantkumar Patel
Chief Financial Officer
PAN: AGOPP9611N

Anand Shaha
Whole-time Director
DIN No: 02421213

Lovelina Faroz
Company Secretary
PAN: AARPF3613K



Axis Securities Limited

Notes forming part of the financial statements

1. Nature of operations and background

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

2. Basis of preparation

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

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

2.1 Significant accounting policies

Presentation and disclosure of financial statements

i. Use of estimates

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

ii. Plant, Property and Equipment including intangible assets

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

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

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

iii. Depreciation and amortization

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its plant, property and equipment.

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

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

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Statement of profit and loss till the date of sale of assets. Intangible assets are amortized on a straight line basis over the estimated useful economic life



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Axis Securities Limited

Notes forming part of the financial statements

iv. Impairment of tangible and intangible assets

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

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

v. Leases

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

vi. Revenue recognition

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

a. Business sourcing and resource management

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

b. Brokerage

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

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

- Income from 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.

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.

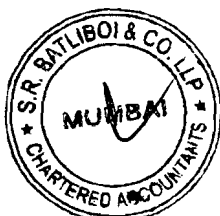
- In case of fees, based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

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.



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Axis Securities Limited

Notes forming part of the financial statements

vii. Stock in trade

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

viii. Retirement and other employee benefits

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

ix. Income taxes

Current income tax

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

Deferred income tax

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



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Axis Securities Limited

Notes forming part of the financial statements

Minimum alternative tax (MAT)

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

x. Investments

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

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

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

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

xi. Foreign currency transactions

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

xii. Segment reporting policies

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

a. Nature of segment:

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

b. Identification of segment:

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

c. Allocation of common costs:

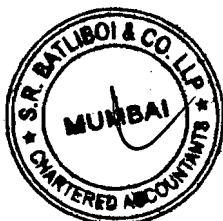
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

d. Unallocated items:

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

e. Segment accounting policies:

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



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Axis Securities Limited

Notes forming part of the financial statements

xiii. Earnings per share

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

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

xiv. Provisions

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

xv. Cash and cash equivalents

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

xvi. Contingent liabilities

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

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



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3. Share capital

	31 March 2017 ₹	31 March 2016 ₹
Authorized share capital 150,000,000 (31 March 2017: 150,000,000) equity shares of ₹10 each	1,500,000,000	1,500,000,000
Issued, subscribed and fully paid-up shares share capital		
Equity share capital 144,500,000 (31 March 2017: 144,500,000) equity shares of ₹10/- each	1,445,000,000	1,445,000,000
Total issued & subscribed share capital	1,445,000,000	1,445,000,000

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

Equity shares	31 March 2017		31 March 2016	
	No.	₹	No.	₹
At the beginning of the period	144,500,000	1,445,000,000	144,500,000	1,445,000,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	144,500,000	1,445,000,000	144,500,000	1,445,000,000

(b) Terms/ rights attached to equity shares

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

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

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

	31 March 2017 ₹	31 March 2016 ₹
Axis Bank Limited, the holding company and its nominees 144,500,000 equity shares of ₹10/- each	1,445,000,000	1,445,000,000

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

Name of the shareholder	31 March 2017		31 March 2016	
	Nos	%	Nos	%
Axis Bank Limited, the holding company and its nominees	144,500,000	100	144,500,000	100

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

4. Reserve & Surplus

Capital reserve	31 March 2017 ₹	31 March 2016 ₹
Opening balance	387,525	387,525
Addition during the year	-	-
Closing balance	387,525	387,525

Securities premium account	31 March 2017 ₹	31 March 2016 ₹
Opening balance	152,490,000	152,490,000
Addition during the year	-	-
Closing balance	152,490,000	152,490,000

General reserve account	31 March 2017 ₹	31 March 2016 ₹
Opening balance	36,000,000	-
Addition during the year	51,500,000	36,000,000
Closing balance	87,500,000	36,000,000



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Axis Securities Limited

Notes to financial statements for the year ended 31 March 2017

Profit & Loss Account

	31 March 2017 ₹	31 March 2016 ₹
Balance as per last financial statements	337,589,336	190,679,171
Profit for the year	514,966,041	356,826,965
Less: Appropriations		
Transfer to General Reserve	(51,500,000)	(36,000,000)
Interim equity dividend [31 March 2017 : ₹1.225 per share] [(31 March 2016 : ₹1.00 per share)]	(177,012,500)	(144,500,000)
Tax on equity dividend	(36,035,580)	(29,416,800)
Total appropriations	(264,548,080)	(209,916,800)
Closing balance	588,007,297	337,589,336
Total Reserves & Surplus	828,384,822	526,466,861

5. Other long-term liabilities

	31 March 2017 ₹	31 March 2016 ₹
Deposit received from franchisee	3,788,410	5,263,375
Total	3,788,410	5,263,375

6. Provisions

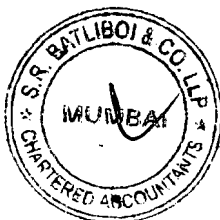
	Long-term		Short-term	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
Provision for employee benefits				
Gratuity payable	20,789,822	14,599,024	2,085,100	1,313,961
Leave availment payable	1,175,185	735,606	27,157,870	24,010,934
Provision for bonus	-	-	203,922,435	158,393,912
	21,965,007	15,334,630	233,165,405	183,718,807
Other provisions				
Lease equilisation	19,061,240	19,287,888	5,476,155	-
Total	41,026,247	34,622,518	238,641,560	183,718,807

7. Trade payables

	31 March 2017 ₹	31 March 2016 ₹
Trade payables	1,211,676,963	390,730,490
Total	1,211,676,963	390,730,490

8. Others current liabilities

	31 March 2017 ₹	31 March 2016 ₹
Other liabilities		
Income received in advance	118,168,785	144,384,408
Others		
Sundry creditors for capital expenditure	14,375,983	27,356,251
Expense creditors		
- Due to holding company	12,746,538	9,446,366
- Due to others	154,290,069	98,146,911
Salary & incentive payable	323,214,825	225,477,109
Undisputed statutory dues	81,040,094	57,919,211
Others	11,480,572	9,191,514
Total	715,316,866	571,921,770



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Axis Securities Limited

Notes to financial statements for the year ended 31 March 2017

Note 9 : Fixed Assets

(Currency: ₹)

Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Addition	Deductions	As at March 31, 2017	As at April 1, 2016	Addition	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property, Plant and Equipment										
Improvements to leasehold premises	100,413,281	21,464,785	11,620,649	110,257,417	30,163,889	12,135,469	10,804,185	31,495,173	78,762,244	70,249,392
Furniture	70,614,505	54,745,296	17,310,515	108,049,286	35,835,368	14,068,539	14,580,591	35,323,316	72,725,970	34,779,137
Office equipment	69,301,489	22,095,507	4,819,546	86,577,450	28,378,208	14,343,424	4,556,135	38,165,497	48,411,953	40,923,281
Computers	173,592,802	54,985,724	2,335,571	226,242,955	92,498,770	46,286,388	2,335,571	136,449,587	89,793,368	81,094,032
	413,922,077	153,291,312	36,086,281	531,127,108	186,876,235	86,833,820	32,276,482	241,433,573	289,693,535	227,045,842
Intangible assets										
Software	152,385,520	33,313,341	-	185,698,861	117,956,973	13,159,298	-	131,116,271	54,582,590	34,428,547
Total	566,307,597	186,604,653	36,086,281	716,825,969	304,833,208	99,993,118	32,276,482	372,549,844	344,276,125	261,474,389
Previous Year	410,074,981	173,557,671	17,325,055	566,307,597	238,670,654	81,508,480	15,345,925	304,833,208	261,474,389	



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10. Loans and advances (Unsecured, considered good)

	Non-current		Current	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
Capital Advances	-	-	88,512,127	80,896,287
A	-	-	88,512,127	80,896,287
Security deposit				
-Unsecured, considered good	79,847,655	74,311,745	311,169	2,391,859
-Unsecured, considered doubtful	-	-	2,449,166	439,700
	79,847,655	74,311,745	2,760,335	2,831,559
Less: Provision for doubtful receivable	-	-	(2,449,166)	(439,700)
B	79,847,655	74,311,745	311,169	2,391,859
Advances recoverable in cash or kind				
C	-	-	11,885,441	15,792,983
Other loans and advances				
Advance income-tax (net)*	545,654,048	489,562,945	-	-
Prepaid expenses	-	-	24,414,944	16,026,523
Balances with statutory / government authorities	-	-	5,248,323	1,404,627
D	545,654,048	489,562,945	29,663,267	17,431,150
Total (A+B+C+D)	625,501,703	563,874,690	130,372,004	116,512,279

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

11. Trade receivables and other assets

11.1 Trade receivables

	Non-current		Current	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Unsecured, considered good	-	-	3,541,006	4,295,498
Doubtful	-	-	10,983,587	15,089,014
	-	-	14,524,593	19,384,512
Provision for doubtful debts (A)	-	-	(10,983,587)	(15,089,014)
	-	-	3,541,006	4,295,498
Other receivables				
Unsecured, considered good				
- Due from holding company	-	-	283,403,891	179,049,847
- Due from others	-	-	1,045,756,957	282,961,835
Doubtful	-	-	848,981	1,265,000
	-	-	1,330,009,829	463,276,682
Provision for doubtful receivables (B)	-	-	(848,981)	(1,265,000)
	-	-	1,329,160,848	462,011,682
Total (A) + (B)	-	-	1,332,701,854	466,307,180

11.2 Other assets (Unsecured, considered good)

	Non-current		Current	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
Non-current bank balances - Fixed Deposits	5,875,000	3,500,000	-	-
Other receivables	-	-	430,000,000	-
Others				
Interest accrued on fixed deposits	405,829	30,093	31,312,686	58,508,556
Total	6,280,829	3,530,093	461,312,686	58,508,556



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12. Cash and bank balances

	Non-current		Current	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	588,884,237	391,236,143
- Balance in prepaid cards	-	-	17,317	-
Cash in hand	-	-	10,000	-
	-	-	588,911,554	391,236,143
Other bank balances				
- Deposits with original maturity for more than 12 months	-	-	-	-
- Deposits with original maturity for more than 12 months under lien	5,875,000	3,500,000	972,600,000	1,275,000,000
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
- Deposits with original maturity for more than 3 months but less than 12 months under lien	-	-	-	-
	5,875,000	3,500,000	972,600,000	1,275,000,000
Amount disclosed under non-current assets (note 11.2)	(5,875,000)	(3,500,000)		
Total	-	-	1,561,511,554	1,666,236,143

13. Revenue from operations

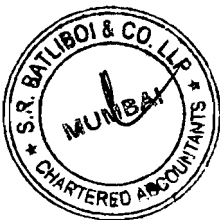
	31 March 2017 ₹	31 March 2016 ₹
Revenue from operations		
1. Income from business sourcing and resource management services	5,839,517,250	4,308,913,036
2. Professional fees	1,738,479	6,559,167
3. Brokerage income	1,450,380,477	1,057,661,087
4. Other operating income	174,324,556	132,387,644
Total	7,465,960,762	5,505,520,934

14. Other income

	31 March 2017 ₹	31 March 2016 ₹
Interest income on bank deposits	84,768,427	103,893,488
Profit on sale of investments	8,710,620	8,925,410
Miscellaneous income	1,885,937	530,222
Total	95,364,984	113,349,120

15. Employee benefits expense

	31 March 2017 ₹	31 March 2016 ₹
Salaries, wages and bonus	5,608,297,746	4,122,406,592
Contribution to provident and other funds	319,851,634	229,727,522
Staff welfare expenses	6,376,630	7,682,891
Gratuity expense (refer note no. 20)	16,961,937	12,797,077
Total	5,951,487,947	4,372,614,082



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16. Finance charges

	31 March 2017 ₹	31 March 2016 ₹
Bank guarantee commission	4,530,549	5,560,325
Interest on overdraft	544,286	11,066
Total	5,074,835	5,571,391

17. Other expense

	31 March 2017 ₹	31 March 2016 ₹
Rent (premises)	141,542,670	120,531,432
Lease rental (computer server)	169,864	5,354,851
Stamp, registration and exchange charges	1,668,520	4,939,564
Franking charges	18,636,487	20,191,261
Advertisement and sales promotion	120,305,160	52,239,727
Rates and taxes	5,135,203	1,907,335
Insurance	1,575,485	800,581
Housekeeping expenses	21,485,967	17,628,152
Security charges	13,548,910	10,599,632
Repair and maintenance- others	5,209,630	6,525,142
Travelling and conveyance	50,198,460	45,971,478
Communication cost	70,570,309	56,903,375
Call center cost	16,649,073	19,817,433
Information technology expenses	74,157,163	80,083,059
Loss on sale of fixed assets	3,227,494	1,471,793
Printing & stationery	26,304,766	32,051,806
Legal and professional fees	21,085,308	17,480,997
Director's sitting fees	650,000	1,350,000
Auditors' remuneration :		
- Audit fee	2,700,000	2,600,000
- Out of pocket expenses	26,710	35,500
Expense towards Corporate Social Responsibility	9,084,317	5,300,000
Electricity and water charges	25,437,739	21,863,487
Office expenses	7,951,688	5,527,859
Membership & subscription fees	7,424,448	7,399,676
Recruitment and training expenses	35,648,866	28,216,787
Miscellaneous expenses	11,678,829	8,398,685
Bad debts w/off	12,635,784	-
Provision for bad & doubtful debts	(4,521,446)	5,182,109
Sub brokerage expense	18,214,022	30,120,262
Total	718,401,426	610,491,984



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Axis Securities Limited

Notes forming part of the financial statements

18. Leases

Operating Lease:

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

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

Future minimum rentals payable under operating leases are as follows:

	2016-17 (₹)	2015-16 (₹)
Minimum lease payments :		
Not later than one year	131,774,820	115,423,203
Later than one year but not later than five years	519,320,818	450,715,710
Later than five years	189,135,208	149,878,627
Lease payment for the year	141,542,670	125,886,283

19. Details of Foreign currency transactions

Expenditure in foreign currency (accrual basis)

	2016-17 (₹)	2015-16 (₹)
Subscription charges	3,656,722	2,891,908
Email charges		360,367
Sales Promotion	750,949	477,048
	4,407,671	3,729,323

20. 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.

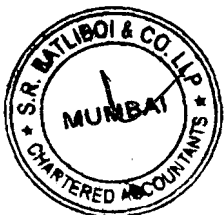
Net employee benefit expense (recognized in employee cost)

	2016-17 (₹)	2015-16 (₹)
Current service cost	7,101,229	5,726,952
Past service cost		
Interest cost	2,340,709	1,966,771
Actuarial gain/(loss) on plan assets		
Expected return on plan assets	(1,043,686)	(749,759)
Net actuarial (gain)/loss recognized in the year	8,563,685	5,853,113
Benefits paid		
Net gratuity cost	16,961,937	12,797,077

Balance sheet

Details of provision for gratuity

	2016-17 (₹)	2015-16 (₹)
Present value of obligation as at the end of the year	47,921,745	36,218,210
Fair value of plan assets as at the end of the year	25,046,823	20,305,225
Net assets/(liability) recognized in balance sheet	(22,874,922)	(15,912,985)



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Axis Securities Limited

Notes forming part of the financial statements

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

	2016-17 (₹)	2015-16 (₹)
Opening defined benefit obligation	36,218,210	29,291,118
Past Service Cost	-	-
Current service cost	7,101,229	5,726,952
Interest cost	2,340,709	1,966,771
Actuarial (gain)/loss	9,297,630	6,841,227
Benefits paid	(7,036,033)	(7,607,858)
Closing defined benefit obligation	47,921,745	36,218,210

Change in fair value of plan assets are as follows:

	2016-17 (₹)	2015-16 (₹)
Opening fair value of plan assets	20,305,225	16,175,210
Expected return on plan assets	1,043,686	749,759
Actuarial gain/(loss)	733,945	988,114
Contribution by the employer	10,000,000	10,000,000
Benefits paid	(7,036,033)	(7,607,858)
Closing fair value of plan assets	25,046,823	20,305,225

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

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
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-17	31-Mar-16
Discount rate	6.15%	7.20%
Expected rate of return on assets	7.00%	7.20%
Employee turnover		
Age : 21-44 years	70.00%	70.00%
Age : 45-59 years	1.00%	1.00%
Salary escalation rate	7.00%	7.00%

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



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Axis Securities Limited

Notes forming part of the financial statements

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

	31-Mar-17 (₹)	31-Mar-16 (₹)	31-Mar-15 (₹)	31-Mar-14 (₹)	31-Mar-13 (₹)
Defined benefit obligation	47,921,745	36,218,210	28,809,683	23,681,558	7,111,323
Plan assets	25,046,823	20,305,225	19,555,466	10,992,958	6,443,236
Surplus / (deficit)	(22,874,922)	(15,912,985)	(9,254,217)	(12,688,600)	(668,087)
Experience adjustment on plan liabilities	8,046,776	4,710,216	4,710,216	2,177,873	757,081
Experience adjustment on plan assets	733,945	988,114	988,114	247,652	(69,387)

21. 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 2017 and 31 March 2016 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.

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

Particulars	31-Mar-17 (₹)	31-Mar-16 (₹)
Deferred tax assets comprises of timing difference on account of:		
Depreciation on fixed assets	(2,871,370)	119,815
Rent- Lease equilisation	8,491,902	6,555,953
Provision for doubtful debts	4,942,623	5,858,180
Retirement benefits	7,916,553	5,408,823
Others	3,398,405	3,337,721
Total	21,878,113	21,280,492

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

	31-Mar-17 (₹)	31-Mar-16 (₹)
Commitment for addition/acquisition of broking software	35,843,096	12,305,005
Commitment for ERP software	-	50,000
Commitment for leasehold improvement and other capital assets	10,179,630	19,078,344
Total	46,022,726	31,433,349



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Axis Securities Limited

Notes to financial statements for the year ended 31 March 2017

(Currency: ₹)

24. 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 2017		
Particulars	Sales Division	Retail Broking Division	Total
Segment revenue			
Gross income (external customers)	5,839,517,250	1,626,443,512	7,465,960,762
	(4,308,913,036)	(1,196,607,898)	(5,505,520,934)
Other income (external customers)	7,811,193	87,553,791	95,364,984
	(8,301,620)	(105,047,500)	(113,349,119)
Total revenue	5,847,328,443	1,713,997,303	7,561,325,746
	(4,317,214,656)	(1,301,655,398)	(5,618,870,054)
Operating expenses	5,556,465,455	1,218,491,871	6,774,957,326
	(4,018,797,021)	(1,051,388,916)	(5,070,185,937)
Unallocated expenses	-	-	-
	-	-	-
Profit/(loss) before tax	290,862,988	495,505,432	786,368,420
	(298,417,635)	(250,266,482)	(548,684,116)
Taxation	-	-	(271,402,379)
	-	-	(191,857,152)
Segment result	290,862,988	495,505,432	514,966,041
	(298,417,635)	(250,266,482)	(356,826,964)
Segment assets	1,138,197,587	3,345,637,281	4,483,834,868
	(1,067,407,917)	(2,090,315,904)	(3,157,723,821)
Segment liabilities	690,767,646	1,519,682,400	2,210,450,046
	(517,482,259)	(668,774,701)	(1,186,256,960)
Net assets	447,429,941	1,825,954,881	2,273,384,822
	(549,925,658)	(1,421,541,203)	(1,971,466,860)
Fixed assets addition during the year	85,543,992	101,060,661	186,604,653
	(49,967,717)	(123,589,954)	(173,557,671)
Depreciation on fixed assets during the year	26,798,515	73,194,603	99,993,118
	(19,849,674)	(61,658,806)	(81,508,480)

Figures in the bracket pertains to previous year ended 31 March 2016

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



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Axis Securities Limited

Notes forming part of the financial statements

25. Related Party Transaction

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

Holding Company

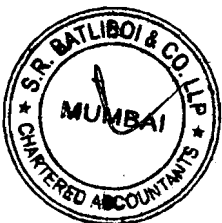
Axis Bank Limited

Key Management Personnel

Mr. Arun Thukral (Managing Director & CEO)
Mr. Anand Shaha (Whole Time Director)
Mr. Hemantkumar Patel (Chief Financial Officer)
Ms. Lovelina Faroz (Company Secretary) (w.e.f. 28th October 2015)

Fellow Subsidiaries

Axis Capital Limited (ACL)
Axis Asset Management Company Limited (AAMC)
Axis Private Equity Limited (APEL)
Axis Mutual Fund Trustee Limited (AMFT)
Axis Trustee Services Limited (ATSL)
A. Treds Limited
Axis Finance Limited (AFL)
Axis Securities Europe Limited (Under Liquidation)



(Handwritten signature)

Currency (₹)

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
Income				
Business sourcing fee income	3,430,599,237 (2,693,412,089)			3,430,599,237 (2,693,412,089)
Resource management fee	2,407,123,151 (1,492,165,817)			2,407,123,151 (1,492,165,817)
Interest on fixed deposits	41,025,153 (98,969,216)			41,025,153 (98,969,216)
Resource management fees (AAMC)			1,794,862 (124,935,130)	1,794,862 (124,935,130)
Bank interest	198,768 (165,790)			198,768 (165,790)
Other income (AFL)			266,598 (39,476)	266,598 (78,951)
Other income (AAMC)			12,756,175 (9,660,033)	12,756,175 (9,660,033)
Other income (ACL)			4,317,606 (611,702)	4,317,606 (611,702)
Brokerage income (Mr. Arun Thukral)		110,867 (140,819)		110,867 (140,819)
Brokerage income (Mr. Anand Shaha)		4,294 (2,982)		4,294 (2,982)
Brokerage income (Mr. Hemant Kumar Patel)		3,641 (-)		3,641 (-)
Expenses				
Salaries (Mr. Arun Thukral)	13,075,266 (9,963,863)			13,075,266 (9,963,863)
Salaries (Mr. Anand Shaha)		7,168,088 (7,122,568)		7,168,088 (7,122,568)
Salaries (Mr. Hemantkumar Patel)		3,824,864 (3,200,296)		3,824,864 (3,200,296)
Salaries (Ms. Shilpi Khandelwal)		- (473,445)		- (473,445)
Salaries (Ms. Lovelina Faroz)		1,088,984 (505,422)		1,088,984 (1,010,844)
Reimbursement for expenses	67,813,395 (58,346,358)		20,950 (-)	67,834,345 (58,346,358)
Reimbursement for expenses (Mr. Arun Thukral)	172,866 (48,679)	214,078 (202,130)		386,944 (250,809)
Bank charges & other charges paid	2,845,502 (2,088,293)			2,845,502 (2,088,293)
Other expenses/ reimbursements (ACL)			12,400,000 (-)	12,400,000 (-)
Other transactions				
Other reimbursement received (AFL)			430,750 (369,238)	430,750 (369,238)
Reimbursement of operating expenses	1,043 (45,788)	16,020 (56,154)		17,063 (101,942)



Axis Securities Limited

Notes forming part of the financial statements

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Currency (₹)
				Grand Total
Advance received	-			-
	(240,000,000)			(240,000,000)
Dividend paid	177,012,500			177,012,500
	(144,500,000)			(144,500,000)
Guarantees received during the year	310,000,000			310,000,000
	(-)			(-)
Outstanding balance as at 31 March 2017				
Axis Bank Limited- guarantee received	-			-
	(190,000,000)			(190,000,000)
Other payables	12,746,541			12,746,541
	(9,446,367)			(9,446,367)
Accounts receivable-for services rendered	281,793,891			281,793,891
	(179,049,847)			(179,049,847)
Accounts receivable-for services rendered- (AAMC)			78,750	78,750
			(16,391,248)	(16,391,248)
Other receivables (AAMC)			1,545,715	1,545,715
			(1,482,016)	(1,482,016)
Other receivables (ACL)			-	-
			(15,889)	(15,889)
Other receivables (AFL)			94,834	94,834
			(44,159)	(44,159)
Current account	564,936,579			564,936,579
	(378,820,733)			(378,820,733)
Fixed deposit balance	86,960,313			86,960,313
	(1,132,756,016)			(1,132,756,016)

Notes

- 1) As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amount pertaining
- 2) Related party relationship have been identified by the management and relied upon by the auditors.
- 3) Figures in bracket represents corresponding amount of previous year.



Axis Securities Limited

Notes forming part of the financial statements

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

	31-Mar-17 (₹)	31-Mar-16 (₹)
Axis Bank Limited	-	190,000,000
Bank of Baroda	850,000,000	400,000,000
IndusInd Bank	200,000,000	-
Total	1,050,000,000	590,000,000

27. Earnings per share ('EPS')

	2016-17 (₹)	2015-16 (₹)
Profit / (loss) after tax	514,966,041	356,826,965
Net profit / (loss) for calculation of basic and diluted EPS	514,966,041	356,826,965

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

Basic earnings per share (₹)	3.56	2.47
Diluted earnings per share (₹)	3.56	2.47

28. 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 2017	As on 31 March 2016
Stamp Act	Penalty on Stamp	MP High Court	1,813,193	1,813,193
Income Tax	Penalty	ITAT	2,038,021	2,038,021
Income Tax	Penalty	ITAT	451,234	451,234
Income Tax	Income Tax	CIT (A)	30,701,225	31,259,429
Investor's grievance redressal panel (NSE- Vadodara)	IGRP proceedings	High Court - Ahmedabad	-	1,350,000
IGRP & Arbitration matter (BSE-Vadodara)	IGRP proceedings	Arbitration	-	1,050,000

Note:

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

29. (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	36,717	12,276,237	36,717	12,218,461
	(46,324)	(7,663,183)	(46,324)	(7,628,092)
Derivatives	79,925	62,743,503	79,925	62,729,780
	(59,155)	(9,592,142)	(59,155)	(9,570,031)



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Axis Securities Limited

Notes forming part of the financial statements

30. Details of CSR Expenditure :

	31-Mar-17 (₹)	31-Mar-16 (₹)
Gross amount required to be spent by the group during the year	9,084,317	5,192,311
	9,084,317	5,192,311

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

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

	In cash (₹)	Yet to be paid in cash (₹)	Total (₹)
	-	-	-
	9,084,317	-	9,084,317

(b) Amount spent during the year ending on 31st March, 2016:

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

	In cash (₹)	Yet to be paid in cash (₹)	Total (₹)
	-	-	-
	5,300,000	-	5,300,000

31. During the year, the holding company issued 82,000 [Previous year: 38,000] of stock options to some employees of the holding company who are on deputation with the Company. Further the holding company has also issued 12,000 stock options directly to the employees of the Company. Since these stock options are issued by the holding company directly to the employees of the Company or holding company and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financials statements.

32. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts*	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

33. Previous year comparatives

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

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

Jitendra H. Ranawat

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 13 April 2017



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

Lovelina Faroz
Lovelina Faroz
Company Secretary
PAN: AARPF3613K



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