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**BOARD OF DIRECTORS****Rajiv Anand****Arun Thukral****Anand Kumar Shaha****Ramesh Kumar Bammi****Jagdish Master****Jairam Sridharan****Nithya Easwaran (Ms.)****Shilpi Jaiswal (Ms.)****Lovelina Faroz (Ms.)****Hemantkumar Patel****M/s. S.R. Batliboi & Co. LLP,**  
Chartered Accountants**M/s. M. M. Nissim & Co.,**  
Chartered Accountants**M/s. Jayshree Dagli & Associates,**  
Company Secretaries**M/s. Karvy Computershare Private Limited**  
UNIT: AXIS SECURITIES LIMITED  
Karvy Selenium, Tower-B, Plot No 31& 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500008, India  
Tel. : +91 040 67161604**REGISTERED OFFICE**Axis House, 8<sup>th</sup> Floor, Wadia International Centre,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 025  
Tel. : 022 2425 2009  
Email : contact@axissecurities.com  
Website: www.axisdirect.in / www.axissecurities.in**CORPORATE OFFICE**Phoenix Market City, Unit No. 2, 2nd Floor, 15, LBS Road,  
Near Kamani Junction, Kurla, Mumbai – 400 070  
Tel. : 022 42671500**Chairman****Managing Director & CEO****Whole Time Director****Director****Independent Director**  
(Resigned w.e.f. February 22, 2016)**Director****Independent Director****Company Secretary**  
(Resigned w.e.f. September 12, 2015)**Company Secretary**  
(Appointed w.e.f. October 28, 2015)**Chief Financial Officer****STATUTORY AUDITORS****INTERNAL AUDITORS****SECRETARIAL AUDITORS****REGISTRAR AND SHARE TRANSFER AGENT**



## HIGHLIGHTS

- The total revenue of Axis Securities Limited for Financial Year (FY)16 was ₹ 561.89 Crores (including Retail Broking & Retail Assets) and Net Profit before tax was ₹ 54.87 Crores.
- The Company's Broking Business made a Net Profit before tax of ₹ 25.03 Crores and the Retail Assets Business made a profit of ₹ 29.84 Crores for the FY16.
- Total revenue for Retail Broking Business for FY16 stands at ₹ 130.17 Crores as against ₹ 123.85 Crores for FY15.
- Retail Broking Customer acquisition grew by 33% to 3.17 Lacs customers for FY16 as compared to 2.38 Lacs customers in FY15.
- Total number of Unique Trading Customers (UTC) on Axis Direct platform increased by 55% to 2.07 Lacs customers from 1.33 Lacs customers in FY15. We have jumped to 6<sup>th</sup> place in FY16 from 11<sup>th</sup> place in FY15 in terms of UTC.
- The Company now has manpower strength of 21,371 spread across 78 branches.
- Total Retail Assets business has crossed ₹ 24,000 Crores in FY16 with a growth of 20% Year on Year (YOY).
- Small and Medium Enterprise (SME) business crossed ₹ 3000 Crores in FY16.
- The YOY growth in Home loan was 7%, Personal Loan 56%, LAP 14%, Auto Loan 23% and Credit Card 45%.



## DIRECTORS' REPORT

### DEAR MEMBERS

The Directors are pleased to present the 10<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2016.

### FINANCIAL PERFORMANCE :

During the year, the Company achieved a total income of ₹ 5,618,870,054/-

The Financial Results of the Company for the year ended March 31, 2016 are given below:

(Figures in ₹)

Particulars	2015-2016	2014-2015
Operating Income(A)	5,505,520,934	4,417,680,629
Interest Income on Fixed Deposits and Miscellaneous Income (B)	113,349,120	131,716,841
<b>Total Income (A)+(B)</b>	<b>5,618,870,054</b>	<b>4,549,397,470</b>
Operating Expenses	4,988,677,457	3,817,183,133
<b>Profit/(Loss) before Depreciation, provisions for tax</b>	<b>630,192,597</b>	<b>732,214,337</b>
Depreciation	81,508,480	62,945,636
Provisions for Tax	191,857,152	228,604,743
<b>Profit / (Loss) After Tax</b>	<b>356,826,965</b>	<b>440,663,958</b>
<b>Surplus in Statement of profit and loss account</b>	<b>190,679,171</b>	<b>(33,245,412)</b>
<b>Appropriation</b>		
Transfer to General Reserve	36,000,000	-
Dividend	144,500,000	180,625,000
Dividend Distribution Tax	29,416,800	36,114,375
<b>Balance carried to Balance Sheet</b>	<b>337,589,336</b>	<b>190,679,171</b>

## BUSINESS OVERVIEW & REVIEW OF OPERATIONS

In Financial Year (FY) 2015-16 BSE Sensex corrected by -9% amid commodity, crude price correction, weak global sentiments following the deflationary trends in developed economies & delay in improvement in corporate earnings. Failure in monsoon for two consecutive years led to tepid demand from both rural & urban side of the economy. Sharp drop in crude oil prices from upwards of \$100/bbl to sub \$50/bbl has been a boon in disguise for Indian economy leading to contained current account deficit; controlled inflation has helped the central bank to cut policy rates by 75 bps over the last year. The Retail investors have kept faith in Equity as an asset class despite the volatility & have taken both direct Equity and Mutual Fund route to invest. The outflows from FII's have been more than compensated by the investments by retail & domestic institutions.

The Company's Retail Broking business made a Net Profit of ₹ 25.03 crores for the FY 2015-16. Total Revenue for the FY 2015-16 from Retail Broking business stood at ₹ 130.17 crores as against ₹ 123.85 crores in FY 2014-15. Customer acquisition in FY 2015-16 was ₹ 3.17 lacs as against ₹ 2.38 lacs. Total number of Unique Customers Trading on Axis Direct platform increased by 55% i.e. to 2.07 lacs from 1.33 lacs in the previous year.

The Company's Retail Assets business has continued to grow steadily. The Company continued to increase its spread by widening its geographical reach by opening new branches, which is critical for tapping the high potential and untapped markets.

The Company has done total Retail Assets business of ₹ 24,087 crores in FY 2015-16, the details of main business segments are as follows:

Sr. No.	Product	FY 2014-15 (₹ In crores)	FY 2015-16 (₹ In crores)	% Growth
1.	Home Loan	10014	10750	7
2.	Loan Against Property	2731	3112	14
3.	Personal Loan	3886	6059	56
4.	Auto Loan	3396	4166	23

The Company has contributed 64% to the overall Retail Assets business of Axis Bank Limited in FY 2015-16. The Home Loans contribution stands at 55%, Loan against Property at 56%, Personal Loans at 76% and Auto Loans at 85%.

In FY 2015-16, the Small and Medium Enterprise (SME) business witnessed a 38% Year on Year (YoY) growth with ₹ 3043 crores as compared to ₹ 2200 crores in FY 2014-15, whereas the Credit Card business has grown by 45% in the number of cards issued to 775,961 as compared to 533,982 customers in FY 2014-15. The EEG business has shown a YoY growth of 183% with ₹ 1372 crores disbursed in FY 2015-16 as compared to ₹ 484 crores in FY 2014-15.



## **DIVIDEND**

During the financial year 2015-16, the Board of Directors declared and paid an Interim Dividend at the rate of ₹ 1/- per equity share of ₹ 10/- each, absorbing a sum of ₹ 144,500,000/- towards dividend amount and ₹ 29,416,800/- 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 2015-16. The Dividend, if approved by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2015-16.

## **GENERAL RESERVE**

The Company has also transferred a sum of ₹ 36,000,000/- 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 Companies Act, 2013 ("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 automated risk management systems in place. The risk system monitors various trades and positions of the clients on real-time basis with the help of real time data feeds

from Exchanges. The system also generates automated alerts in case of specified events based on the set parameters. A dedicated risk team monitoring the risk systems acts promptly on all such alerts.

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

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

The Policy is to provide framework for an effective vigil mechanism and to provide protection to employees or directors reporting genuine concerns.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities.

## BOARD OF DIRECTORS, MEETINGS, EVALUATION ETC.

### Board of Directors:

During the year under review, Mr. Jagdish Master (DIN 00202500), Independent Director of the Company has resigned from the Board of Directors of the Company with effect from February 22, 2016. The Directors place on record their warm appreciation for valuable contributions made by Mr. Jagdish Master, the outgoing Director. The Company is in the process of appointing a new Independent Director on its Board.

Mr. Rajiv Anand (DIN 02541753) 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	1
4.	Corporate Social Responsibility Committee Meeting	2
5.	Risk Management Committee Meeting	4
6.	Executive Committee Meeting	0
7.	General Meeting	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 made by a Separate Meeting of Independent Directors held under Chairmanship of Mr. Jagdish Master, Independent Director (without attendance of non – Independent Director and members of the Management) on February 2, 2016.

Performance evaluation of non – Independent Directors namely Mr. Rajiv Anand, Mr. Jairam Sridharan, Mr. Ramesh Kumar Bammi, Mr. Arun Thukral and Mr. Anand Shaha was done by meeting of Independent Directors.

Evaluation of Independent Directors namely Mr. Jagdish Master and Ms. Nithya Easwaran was done (excluding the Director who was evaluated) by the Board of Directors of the Company.

**Declaration by Independent Director:**

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

**Key Managerial Personnel:**

During the year under review, Ms. Lovelina Cecil Faroz (ACS 23148) was appointed as Company Secretary with effect from October 28, 2015.

During the year under review, Ms. Shilpi Jaiswal submitted her resignation from the position of Company Secretary of the Company with effect from September 12, 2015.

**SHARE CAPITAL**

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

**PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and Section 76 of the 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. 3,753,567/- (Rupees Thirty Seven Lacs Fifty Three Thousand Five Hundred Sixty Seven only) in Foreign exchange towards technology and related expenses. The Company has not earned any foreign exchange. The details of the Foreign exchange outflow are enclosed in **Annexure B**.

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

The Company has not given any Loan, Guarantee or made Investment under Section 134(3)(g) 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 are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions 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 thereunder. The policy shall apply to all CSR programs undertaken/sponsored by ASL executed through its Holding Company's Axis Bank Foundation or through any other Trust/NGO.

As part of its initiatives under “Corporate Social Responsibility” (CSR), the Company has participated in two projects namely Pradan and Kherwadi Social Welfare Association (KSWA) for Yuva Parivartan. 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. These projects are largely in accordance with Schedule VII of the Act.

During the year under review, the Company has spent Rs. 53,00,000/- towards CSR activity undertaken through Axis Bank Foundation, for detailed report refer **Annexure E**.

#### **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.

#### **DIRECTORS RESPONSIBILITIES 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, 2016.
- 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 prepared as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.

## AUDITORS'

### i. Statutory Auditors':

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company has appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 10<sup>th</sup> Annual General Meeting until the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company subject to ratification of such appointment in every Annual General Meeting till such 12<sup>th</sup> 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 had appointed Ms. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, 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 had appointed M/s. M. M. Nissim & Co., Chartered Accountants to undertake the Internal Audit of the Company for the financial year under review.

## CORPORATE GOVERNANCE

The Company's policy on Corporate Governance 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 recognise the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented.

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

## **FUTURE OUTLOOK**

Fiscal discipline through strict targets for fiscal deficit & intent to achieve the same through legislative means of Adhaar Bill (targeted delivery of financial & other subsidies, benefits & services) has been a milestone achievement of Budget FY 17 of the Country.

Equipped with improving balance sheet, controlled inflation, dropping yield curve & Government's investment push in infrastructure, agriculture & rural economy could help the economy traverse the targeted 7.5% to 8% GDP growth. Rising strength of the ruling party in the upper house will enable the smooth passage of legislations to improve the ease of doing business viz., Bankruptcy Code Bill, widen tax receipts viz., GST.

The conditions favouring good monsoon are in place at this stage, would be confirmed by late May 2016. Good monsoon followed by bountiful harvest would lead to improved consumption in rural part of the Country. Disbursal of Pay Commission award coupled with industrial growth would stoke consumption drive in the urban segment. Consumption led demand would enable expansion of economic activities multifold & hence, improved earnings for Equity Markets.

Indian indices are currently trading at near mean levels viz., at 15 times FY 17, neither at too lofty valuations nor very cheap. Economic recovery led by consumption can be expected post monsoons. Headwinds do exist from global markets viz., weak European Banks, Britain's referendum on exit from the European Union, US rate hikes & geo-political tension among Koreas, Middle East etc.

Overall, Government action indicates the process is on to clear the road for growth by removing impediments and creating an atmosphere for growth. Developed nations possess deluge of liquidity but tepid growth prospects, contrast to India with visible growth and limited capital. An atmosphere for growth will attract capital from developed nations and help improve the corporate earnings cycle eventually.

The Retail Lending Industry has grown at a fast pace in recent times owing to increase in disposable income, awareness for loan products and ease of loan availability along with customer friendly Government policies to facilitate better off take of loans.

The introduction of the various Government initiatives and policies like the Real Estate Bill, Housing for all by 2022, REIT will provide the much needed impetus to the Mortgages Finance market. The positive outlook on the Indian Economy and the upscale movement in the basic standard of living of the young urban population in the tier-I and tier-II cities will be instrumental in driving the Personal Loans, Auto Loans and Credit Cards business. The 'Make in India' program launched by the Government will further boost the SME and EEG market.



The new RBI guideline on calculating the benchmark lending rate i.e. Marginal Cost of funds based Lending Rate (MCLR) has come to effect from April, 2016. Under MCLR the Bank will pass on the rate benefit to the existing as well as new customer thereby making borrowing more attractive and lucrative for the borrowers.

#### **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), Bombay Stock Exchange (BSE), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Central, State and Local Government Departments and Bodies for their continued support and cooperation.

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

**For and on Behalf of the Board of Directors**

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

Place : Mumbai  
Date : April 14, 2016

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2016**

[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 <sup>th</sup> 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 Computer Share Private Limited Karvy Selenium Tower- B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500008, India. Tel: +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 and resource management	99831130	76.83%
2.	Brokerage on securities	99715210	23.17%

**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.	<b>Axis Bank Limited</b> Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad - 380006	L65110GJ1993 PLC020769	Holding	99.999958 %	2(46)

2.	<b>Axis Capital Limited</b> Axis House, 8th floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U51900MH2005 PLC157853	Fellow Subsidiary	NIL	2(6)
3.	<b>Axis Finance Limited</b> Axis House, Ground floor, Wadia international centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65921MH1995 PLC212675	Fellow Subsidiary	NIL	2(6)
4.	<b>Axis Asset Management Company Limited</b> Axis House, 1st floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65991MH2009 PLC189558	Fellow Subsidiary	NIL	2(6)
5.	<b>Axis Private Equity Limited</b> Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2006 PLC165039	Fellow Subsidiary	NIL	2(6)
6.	<b>Axis Mutual Fund Trustee Limited</b> Axis House, 1st floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2009 PLC189325	Fellow Subsidiary	NIL	2(6)
7.	<b>Axis Trustee Services Limited</b> Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U74999MH2008 PLC182264	Fellow Subsidiary	NIL	2(6)
8.	<b>Axis Bank U.K. Limited</b> Kings House, (4th Floor), 36-37, Kings Street, London, England.	7554558	Fellow Subsidiary	NIL	2(6)
9.	<b>Axis Securities Europe Limited</b> 10 Orange Street, WC2H 7DQ, London, England	5540630	Fellow Subsidiary	NIL	2(6)

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	144,499,934	6	144,499,940	99.999958%	144,499,934	6	144,499,940	99.999958%	NIL
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):</b>	<b>144,499,934</b>	<b>6</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>144,499,934</b>	<b>6</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total share-holding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>144,499,934</b>	<b>6</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>144,499,934</b>	<b>6</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>NIL</b>

<b>B. Public Share-holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) StateGovt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) ForeignVenture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non- Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(2):-</b>	-	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	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	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 %	-	-
	<b>Total</b>	<b>144,499,940</b>	<b>99.999958 %</b>	<b>-</b>	<b>144,499,940</b>	<b>99.999958 %</b>	<b>-</b>	<b>-</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of year	50	0.000035%	30	0.000035%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	<b>02/02/2016</b> <b>10 equity shares</b> held by Mr. Sanjeev Kumar Gupta, were transferred to Mr. Rajiv Anand Director of the Company.	0.000007%	10	0.000007%

		<b>10 equity shares</b> held by Mr. Parthasarathi Mukherjee, were transferred to Mr. Jairam Sridharan, Director of the Company.	0.000007%	10	0.000007%
	At the End of the year (or on the date of separation, if separated during the year)	30	0.000021%	30	0.000021%

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	0.000007%	10	0.000007%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>02/02/2016</b> <b>10 equity shares</b> held by Mr. Sanjeev Kumar Gupta, were transferred to Mr. Rajiv Anand, Director of the Company	0.000007%	10	0.000007%
		<b>02/02/2016</b> <b>10 equity shares</b> held by Prathasarathi Mukherjee were transferred to Mr. Jairam Sridharan Director of the Company.	0.000007%	10	0.000007%
	At the End of the year	30	0.000021%	30	0.000021%

**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
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition				
• Reduction (Maximum outstanding of Overdraft facility ₹ 9,81,00,000)				
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-

**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
		<b>Arun Thukral, Managing Director &amp; CEO</b>	<b>Anand Kumar Shaha Whole-Time Director</b>	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,012,542	7,122,568	17,135,110



	(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	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>10,012,542</b>	<b>7,122,568</b>	<b>17,135,110</b>
	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	Jagdish Master	Nithya Easwaran	Ramesh Kumar Bammi	
1.	Independent Directors						
	• Fee for attending board committee meetings	-	-	4,50,000	600,000	-	10,50,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>4,50,000</b>	<b>600,000</b>	-	<b>10,50,000</b>
2.	Other Non-Executive Directors						
	• Fee for attending board committee meetings	-	-	-	-	300,000	300,000

• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
<b>Total (2)</b>	-	-	-	-	<b>300,000</b>	<b>300,000</b>
<b>Total (B)=(1+2)</b>	-	-	<b>4,50,000</b>	<b>600,000</b>	<b>300,000</b>	<b>1,350,000</b>
Total Managerial Remuneration	-	-	-	-	-	-
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. Shilpi Jaiswal Company Secretary (01.4.2015-12.09.2015)	Ms. Lovelina Faroz Company Secretary (28.10.2015-31.03.2016)	CFO	Total
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	454,165	486,117	3,068,292	4,008,574
	(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	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	<b>Total</b>	-	<b>454,165</b>	<b>486,117</b>	<b>3,068,292</b>	<b>4,008,574</b>

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For Axis Securities Limited

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

Place : Mumbai  
 Date : April 14, 2016

**ANNEXURE- B**
**PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS**

<b>Name of the Party</b>	<b>Particulars of Purpose</b>	<b>Amount of outflow (in Rupees) 2015-16</b>
Shutter stock Inc	Subscription for obtaining images towards printing materials	247,859
Microsoft Regional Sales Corporation	Email Subscription	360,367
Citrix Online AUS PTY Ltd.	Online web Conference Subscription	1,994,049
Screener	Technical subscription for research	650,000
Grand Excelsior Hotel	Traveling Expenses – Investor Meeting, Dubai	477,048
<b>Total</b>		<b>3,729,323</b>
	FY 14-15	3,810,871

**For Axis Securities Limited**

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

Place : Mumbai  
 Date : April 14, 2016

**ANNEXURE - C**
**FORM AOC - 2**

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

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

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

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

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

a)	Name (s) of the related party and nature of relationship	:	<ol style="list-style-type: none"> <li>1. Axis Finance Limited (Fellow Subsidiary)</li> <li>2. Axis Asset Management Company Limited (Common director / Fellow Subsidiary)</li> <li>3. Axis Bank Limited (Holding company)</li> <li>4. Axis Capital Limited (Common Director / Fellow Subsidiary)</li> </ol>
b)	Nature of contracts/arrangements/transactions	:	<ol style="list-style-type: none"> <li>1. Availing and Rendering of services</li> <li>2. Availing and Rendering of services</li> <li>3. Availing and Rendering of services</li> <li>4. Availing and Rendering of services</li> </ol>

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. 13.04.2015 2. 28.10.2015
f)	Amount paid as advances, if any	:	NIL

**For Axis Securities Limited**

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

Place : Mumbai  
 Date : April 14, 2016

**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 : <a href="http://www.axissecurities.in">www.axissecurities.in</a>
2.	The Composition of the CSR Committee	:	Mr. Ramesh Kumar Bammi – Chairman Mr. Arun Thukral - Member Mr. Jairam Sridharan – Member Ms. Nithya Easwaran – Member (Independent Director)
3.	Average Net Profit of the Company for last 3 financial years	:	₹ 259,615,559/-
4.	The Prescribed CSR expenditure (2% of amount)	:	₹ 53,00,000/-
5.	Details of CSR activities/projects undertaken during the year :		
	a. Total amount to be spent for the financial year	:	Not Exceeding Rs. 60,00,000/-
	b. Amount unspent, if any	:	NIL
	c. Manner in which amount is spent	:	*
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		₹ 2,650,000/-	₹ 2,650,000/-	Through implementing agency
2.	Providing vocational training to school drop outs, assisting in job placements and encouraging self-employment amongst the youth	Employment enhancing vocational skills	Marathawada & Vidarbha regions, Maharashtra	Not exceeding ₹ 6,000,000/-	₹ 2,650,000/-	₹ 2,650,000/-	Through implementing agency
<b>TOTAL</b>				<b>Not Exceeding ₹ 6,000,000/-</b>	<b>₹ 5,300,000/-</b>	<b>₹ 5,300,000/-</b>	

**Arun Thukral**  
 Managing Director & CEO  
 DIN: 03043072

**Ramesh Kumar Bammi**  
 Chairman of the CSR Committee  
 DIN: 03411046

Place : Mumbai  
 Date : April 14, 2016



**ANNEXURE - F**

Date : 13<sup>th</sup> April, 2016

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

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

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

**For JAYSHREE DAGLI & ASSOCIATES**  
**COMPANY SECRETARIES**

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

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

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016

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

To,

**The Members,**

**Axis Securities Limited**

**Mumbai**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by **Axis Securities Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) & the rules made thereunder and The Companies Act, 1956 to the extent applicable;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (ii) The Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992;
  - (iii) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with Client;
- (6) Based on the nature of activities of the Company:-
- (i) Prevention of Money Laundering Act, 2002;
  - (ii) The IRDA Act, 1999;
  - (iii) Information Technology Act, 2000;
  - (iv) Service Tax Act.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India, New Delhi.

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

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998;
- (vii) Listing Agreement and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Company being an UNLISTED Company).

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

**We further report that**

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

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

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

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

However, during the year under Audit, the Company has recognised Contingent Liability of ₹ 3,12,59,429/- under the Income Tax Act, 1961 and of ₹ 10,50,000/- in respect of IGRP proceedings. We are informed by the management that the company is contesting respective demands.

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

Place : Mumbai

Date : 13<sup>th</sup> April, 2016

For **JAYSHREE DAGLI & ASSOCIATES**  
**COMPANY SECRETARIES**

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

**Annexure-I**
**Table Showing Specific Events and Actions for FY 2015-16**

Sr. No.	Name of the Event	Date of Board Resolution	Date of General Meeting Resolution
1	Change of Statutory Auditors from M/s S. R. B. C. & Co. to M/s S. R. Batliboi & Co. LLP.	13.04.2015	02.06.2015
2	Revision of Remuneration of Mr. Arun Thukral, as Managing Director & CEO of the Company.	02.06.2015	-
3	Revision of Remuneration of Mr. Anand Shaha, Whole Time Director of the Company.	02.06.2015	-
4	Appointment of Mr. Rajiv Anand as Director by the Members at the Annual General Meeting.	-	02.06.2015
5	Appointment of Mr. Jairam Sridharan as Director by the Members at the Annual General Meeting.	-	02.06.2015
6	Resignation of Ms. Shilpi Jaiswal as Company Secretary w.e.f. 12.09.2015.	07.08.2015	-
7	Decision by the Board to avail Financial Assistance by way of Bank Guarantee Limit from Bank of Baroda, Fort Branch against Fixed Deposits for an amount not exceeding Rs. 50,00,00,000/-.	07.08.2015	-
8	Appointment of Mr. Shailesh Adukia as Chief Insurance Executive.	07.08.2015	-
9	Appointment of Ms. Lovelina Faroz as Company Secretary.	28.10.2015	-
10	Decision by the Board to make an Application to surrender Membership with United Stock Exchange.	28.10.2015	-
11	Approval to the Proposal for making Application to IRDA for fresh Registration as Corporate Agent and Approval to the Policy for an open Architecture under IRDA Regulations.	02.02.2016	-
12	Appointment of Mr. Shailesh Adukia as Principal Officer under IRDA Guidelines .	02.02.2016	-
13	Resignation of Mr. Jagdish Master as Director of the Company w.e.f. 22.02.2016.	11.03.2016	-
14	Declaration of Interim Dividend @ 10% i.e. ₹ 1/- on 14,45,00,000 Equity Shares of ₹ 10/- each.	11.03.2016	-

Place : Mumbai  
 Date : 13<sup>th</sup> April, 2016.

For **JAYSHREE DAGLI & ASSOCIATES**  
**COMPANY SECRETARIES**

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

## Independent Auditors' 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, 2016, 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 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, 2016, its profit, and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 A" 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 29 to the financial statements;
    - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at 31 March 2016 for which there were any material foreseeable losses; and
    - iii. As at 31 March 2016, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration Number : 301003E

**per Jitendra H. Ranawat**  
Partner  
Membership No.: 103380

Place : Mumbai  
Date : 14 April 2016

**Annexure 1 referred to in our report of even date**
**Re: Axis Securities Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and 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) The Company does not have any immovable property during the financial year.
- (ii) The Company does not hold any securities in physical form. 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 such verification 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 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 from the public.
- (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, employees' state insurance, service tax, cess and other material statutory dues applicable to it. As informed, the provision of sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provision of sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Stamp Duty Act of the state of Madhya Pradesh	Stamp Duty	18,13,193	2011-12	Collector of Stamps, Indore (Madhya Pradesh)
Income Tax	Penalty	3,72,508	2006-07	ITAT
Income Tax	Penalty	16,65,513	2009-10	Commissioner of Income tax
Income Tax	Penalty	4,51,234	2010-11	Commissioner of Income tax
Income Tax	Penalty	3,12,59,224	2012-13	Commissioner of Income tax



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

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and 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 ₹ 8,51,401 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 ₹ 6,38,497. There is no financial loss to the Company since the concerned third party has to bear the loss of ₹ 2,07,904 as per agreed terms.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that 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) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and 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 not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and 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.
- (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

**per Jitendra H. Ranawat**  
Partner  
Membership No.: 103380

Place : Mumbai  
Date : 14 April 2016

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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 Board of Directors**

#### **Axis Securities Limited**

We have audited the internal financial controls over financial reporting of Axis Securities Limited ("the Company") as of March 31, 2016 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, both 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.

### **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, 2016, 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.

### **Explanatory paragraph**

We also have audited, 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, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related 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, and our report dated 14 April 2016 expressed an unqualified opinion thereon.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration number : 301003E

**per Jitendra H. Ranawat**  
Partner  
Membership No.: 103380

Place : Mumbai  
Date : 14 April 2016

**Balance sheet as at 31 March 2016**

PARTICULARS	Notes	31 March 2016 ₹	31 March 2015 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3	1,44,50,00,000	1,44,50,00,000
Reserves and surplus	4	52,64,66,861	34,35,56,696
<b>Non-current liabilities</b>			
Other long term liabilities	5	52,63,375	97,65,138
Long term provisions	6	3,46,22,518	1,74,24,399
<b>Current liabilities</b>			
Trade payables	7	39,07,30,490	45,60,87,882
Other current liabilities	8	57,19,21,770	40,43,80,261
Short term provisions	6	18,37,18,807	14,80,73,424
<b>Total</b>		<b>3,15,77,23,821</b>	<b>2,82,42,87,800</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	9	22,70,45,842	13,10,78,598
Intangible assets	9	3,44,28,547	4,03,25,729
Deferred Tax Asset (net)		2,12,80,492	1,71,37,642
Loans and advances	10	56,38,74,690	38,19,05,627
Other non current assets	12.2	35,30,093	12,33,68,695
<b>Current assets</b>			
Current investments	11	-	1,50,00,000
Trade receivables	12.1	46,63,07,180	48,05,41,977
Short term loans and advances	10	11,65,12,279	2,87,46,729
Cash and bank balances	13	1,66,62,36,143	1,55,78,54,237
Other current assets	12.2	5,85,08,556	4,83,28,566
<b>Total</b>		<b>3,15,77,23,821</b>	<b>2,82,42,87,800</b>

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.Baltiboi & Co. LLP**  
**Firm Registration No. 301003E**  
**Chartered Accountants**

per **Jitendra H. Ranawat**  
**Partner**  
 Membership No. : 103380

Place : Mumbai  
 Date : 14 April 2016

**For and on behalf of the Board of Directors**

**Rajiv Anand**  
**Chairman**  
 DIN No: 02541753

**Arun Thukral**  
**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

**Statement of Profit and Loss for the year ended 31 March, 2016**

PARTICULARS	Notes	Year ended 31 March, 2016 ₹	Year ended 31 March, 2015 ₹
Revenue from operations	14	5,50,55,20,934	4,41,76,80,629
Other income	15	11,33,49,120	13,17,16,841
<b>Total revenue</b>		<b>5,61,88,70,054</b>	<b>4,54,93,97,470</b>
<b>Expenses :</b>			
Employee benefit expense	16	4,37,26,14,082	3,23,92,48,679
Depreciation and amortization expense	9	8,15,08,480	6,29,45,636
Finance charges	17	55,71,391	47,37,689
Other expenses	18	61,04,91,984	57,31,96,765
<b>Total expenses</b>		<b>5,07,01,85,937</b>	<b>3,88,01,28,769</b>
<b>Profit before tax</b>		<b>54,86,84,117</b>	<b>66,92,68,701</b>
Tax expense:			
Current tax		(19,60,00,000)	(22,90,00,000)
MAT credit entitlement availed / (utilised)		-	(83,25,191)
Deferred tax		41,42,848	96,25,565
(Short)/ excess provision of earlier years written off / written back		-	(9,05,117)
<b>Total Tax</b>		<b>(19,18,57,152)</b>	<b>(22,86,04,743)</b>
<b>Profit after tax</b>		<b>35,68,26,965</b>	<b>44,06,63,958</b>
<b>Earnings per equity share [nominal value of share ₹10 (31 March 2016: ₹10)]</b>			
<b>Basic</b>		<b>2.47</b>	<b>3.05</b>
<b>Diluted</b>		<b>2.47</b>	<b>3.05</b>

 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.Baltiboi & Co. LLP**  
**Firm Registration No. 301003E**  
**Chartered Accountants**

 per **Jitendra H. Ranawat**  
**Partner**  
 Membership No. : 103380

 Place : Mumbai  
 Date : 14 April 2016

**For and on behalf of the Board of Directors**
**Rajiv Anand**  
**Chairman**  
**DIN No: 02541753**
**Arun Thukral**  
**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**

**Cash flow statement for the year ended 31 March 2016**

PARTICULARS	Year Ended 31 March, 2016 ₹	Year Ended 31 March, 2015 ₹
<b>A) Cash flow from operating activities</b>		
Profit before taxes	54,86,84,117	66,92,68,701
<u>Non cash &amp; non operating adjustments:</u>		
Interest income	(10,38,93,488)	(12,35,43,028)
Depreciation and amortization	8,15,08,480	6,29,45,636
Dividend Income	-	(6,98,082)
Finance charges	55,71,391	47,37,689
Profit from sale of investments	(89,25,410)	(68,81,846)
Provision for doubtful debts	51,82,109	49,42,383
Loss on sale of fixed assets	14,71,793	3,65,075
<b>Operating profit before working capital changes</b>	<b>52,95,98,992</b>	<b>61,11,36,528</b>
Movement in working capital:		
Decrease / (increase) in long term loan & advances	12,83,697	52,19,285
Decrease / (increase) in short term loan & advances	(8,77,65,550)	(19,30,708)
Decrease / (increase) in trade receivables	90,52,688	28,82,45,243
Decrease / (increase) in other current assets	-	5,51,81,574
Increase/ (decrease) in other long term liabilities	(45,01,763)	5,91,352
Increase/ (decrease) in long term provisions	1,71,98,119	41,54,027
Increase/ (decrease) in short term provisions	16,75,41,509	(14,30,75,058)
Increase/ (decrease) in trade payables	(6,53,57,392)	(38,42,85,211)
Increase/ (decrease) in other current liabilities	3,56,45,383	6,40,79,041
<b>Cash generated from operations</b>	<b>60,26,95,683</b>	<b>49,93,16,073</b>
Direct taxes paid (net of refund)	(37,92,52,761)	(22,80,62,464)
<b>Net cash from operating activities</b>	<b>22,34,42,922</b>	<b>27,12,53,609</b>
<b>B) Cash flow from investing activities</b>		
Purchase of fixed assets	(17,35,57,671)	(6,35,56,994)
Proceeds from sale of fixed assets	5,07,339	1,39,730
(Investment) / redemption in bank fixed deposit (net)	12,67,47,864	7,12,53,803
Investment in mutual funds	(4,48,31,00,000)	(3,08,40,00,000)
Redemption of mutual funds	4,50,70,25,409	3,07,58,81,846
Decrease / (increase) fixed deposit under lien exchange	(27,94,65,795)	6,84,65,795
Interest received	9,95,52,100	14,22,40,299
Dividend Received	-	6,98,082
<b>Net cash from investing activities</b>	<b>(20,22,90,756)</b>	<b>21,11,22,561</b>
<b>C) Cash flow from financing activities</b>		
Interest on overdraft	(55,71,391)	(47,37,689)
Dividend paid (including distribution tax)	(17,39,16,800)	(21,67,39,375)
<b>Net cash from financing activities</b>	<b>(17,94,88,191)</b>	<b>(22,14,77,064)</b>
Net increase in cash and cash equivalents	(15,83,36,025)	26,08,99,106
Cash and cash equivalents at the beginning of the period	54,95,72,168	28,86,73,062
<b>Cash and cash equivalents at the end of the period</b>	<b>39,12,36,143</b>	<b>54,95,72,168</b>
Components of cash and cash equivalents as at 31 March 2016		
<b>Cash in hand</b>	-	-
<b>With scheduled bank -</b>		
<b>On current account</b>	39,12,36,143	54,95,72,168
<b>Total</b>	<b>39,12,36,143</b>	<b>54,95,72,168</b>

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

As per our report of even date

For S.R.Baltiboi & Co. LLP  
 Firm Registration No. 301003E  
 Chartered Accountants

per Jitendra H. Ranawat  
 Partner  
 Membership No. : 103380

Place : Mumbai  
 Date : 14 April 2016

For and on behalf of the Board of Directors

Rajiv Anand  
 Chairman  
 DIN No: 02541753

Arun Thukral  
 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

## 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 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 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.

## Notes forming part of the financial statements

Depreciation has been provided using the following estimated useful lives:

	<b>Useful Life</b>
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.

### 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.



## Notes forming part of the financial statements

### 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.

### 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.

## Notes forming part of the financial statements

### 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

## Notes forming part of the financial statements

future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### Minimum alternative tax (MAT)

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

### x. Investments

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

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 (online and offline mode).

#### a. Nature of segment:

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

## Notes forming part of the financial statements

### 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.

## 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.

**Notes to financial statements for the year ended 31 March, 2016**
**3. Share capital**

	31 March 2016	31 March 2015
	₹	₹
<b>Authorized share capital</b>		
15,00,00,000 (31 March 2015: 15,00,00,000) equity shares of ₹10/- each	15,00,000,000	15,00,000,000
<b>Issued, subscribed and fully paid-up shares share capital</b>		
<b>Equity share capital</b>		
14,45,00,000 (31 March 2015: 14,45,00,000) equity shares of ₹10/- each	14,45,000,000	14,45,000,000
<b>Total issued &amp; subscribed share capital</b>	<b>14,45,000,000</b>	<b>14,45,000,000</b>

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

Equity shares

	31 March 2016		31 March 2015	
	No.	₹	No.	₹
At the beginning of the period	14,45,00,000	1,44,50,00,000	14,45,00,000	1,44,50,00,000
Add : Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>14,45,00,000</b>	<b>1,44,50,00,000</b>	<b>14,45,00,000</b>	<b>1,44,50,00,000</b>

**(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.

**Notes to financial statements for the year ended 31 March, 2016**
**(c) Shares held by holding / ultimate holding company and/ or their subsidiaries/ associates**

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

Name of the Shareholder	31 March 2016 ₹	31 March 2015 ₹
Axis Bank Limited, the holding company and its nominees 14,45,00,000 equity shares of ₹10/- each	1,44,50,00,000	1,44,50,00,000

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

Name of the Shareholder	31 March 2016		31 March 2015	
	Nos.	%	Nos.	%
Axis Bank Limited, the holding company and its nominees (Equity Shares)	14,45,00,000	100	14,45,00,000	100

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

**4. Reserve & surplus**
**Capital Reserve**

	31 March 2016 ₹	31 March 2015 ₹
Opening Balance	3,87,525	3,87,525
Addition during the year	-	-
Closing Balance	<b>3,87,525</b>	<b>3,87,525</b>

**Securities Premium account**

	31 March 2016 ₹	31 March 2015 ₹
Opening Balance	15,24,90,000	15,24,90,000
Addition during the year	-	-
Closing Balance	<b>15,24,90,000</b>	<b>15,24,90,000</b>

**Notes to financial statements for the year ended 31 March, 2016**
**General Reserve Account**

	31 March 2016	31 March 2015
	₹	₹
Opening Balance	-	-
Addition during the year	3,60,00,000	-
Closing Balance	<b>3,60,00,000</b>	-

**Profit & Loss Account**

	31 March 2016	31 March 2015
	₹	₹
Balance as per last financial statements	19,06,79,171	(3,32,45,412)
Profit for the year	35,68,26,965	44,06,63,958
Less: Appropriations		
Transfer to General Reserve	(3,60,00,000)	-
Interim equity dividend [(amount per share ₹1.00 (31 March 2016: ₹ 14,45,00,000) (amount per share ₹ 1.25 (31 March 2015: ₹18,06,25,000)]	(14,45,00,000)	(18,06,25,000)
Tax on equity dividend	(2,94,16,800)	(3,61,14,375)
<b>Total appropriations</b>	<b>(20,99,16,800)</b>	<b>(21,67,39,375)</b>
Closing Balance	<b>33,75,89,336</b>	<b>19,06,79,171</b>
<b>Total Reserves &amp; Surplus</b>	<b>52,64,66,861</b>	<b>34,35,56,696</b>

**5. Other long-term liabilities**

	31 March 2016	31 March 2015
	₹	₹
Deposit received from franchisee	52,63,375	97,65,138
<b>Total</b>	<b>52,63,375</b>	<b>97,65,138</b>

**Notes to financial statements for the year ended 31 March, 2016**
**6. Provisions**

	Long Term		Short Term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	₹	₹	₹	₹
<b>Provision for employee benefits</b>				
Gratuity payable	1,45,99,024	69,34,273	13,13,961	61,81,635
Leave availment payable	7,35,606	2,14,618	2,40,10,934	2,72,30,728
Provision for bonus	-	-	15,83,93,912	11,33,01,182
	<b>1,53,34,630</b>	<b>71,48,891</b>	<b>18,37,18,807</b>	<b>14,67,13,545</b>
<b>Other provisions</b>				
Leases	1,92,87,888	1,02,75,508	-	13,59,879
<b>Total</b>	<b>3,46,22,518</b>	<b>1,74,24,399</b>	<b>18,37,18,807</b>	<b>14,80,73,424</b>

**7. Trade Payables**

	31 March 2016	31 March 2015
	₹	₹
Trade Payables (Refer note 22 for details of dues to micro, small and medium enterprises)	39,07,30,490	45,60,87,882
<b>Total</b>	<b>39,07,30,490</b>	<b>45,60,87,882</b>

**8. Others current liabilities**

	31 March 2016	31 March 2015
	₹	₹
<b>Other liabilities</b>		
Income received in advance	14,43,84,408	13,11,43,015
<b>Others</b>		
Sundry creditors for capital expenditure	2,73,56,251	39,51,680
Expense creditors		
- Due to holding company	94,46,366	80,03,736
- Due to others	9,81,46,911	9,11,09,532
Salary & incentive payable	22,54,77,109	13,08,67,549
Undisputed statutory dues	5,79,19,211	3,21,11,599
Others	91,91,514	71,93,149
<b>Total</b>	<b>57,19,21,770</b>	<b>40,43,80,261</b>



**Notes to financial statements for the year ended 31 March, 2016**
**Note 9 : Fixed Assets**

Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2015	Addition	Deductions	As at March 31, 2016	As at April 1, 2015	Addition	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Property, Plant &amp; Equipment</b>										
Improvements to leasehold premises	7,02,86,496	3,45,09,528	43,82,743	10,04,13,281	2,41,99,914	99,47,407	39,83,432	3,01,63,889	7,02,49,392	4,60,86,582
Furniture	5,85,53,004	2,02,78,001	82,16,500	7,06,14,505	3,12,60,563	1,14,08,729	68,33,924	3,58,35,368	3,47,79,137	2,72,92,441
Office equipment	4,20,19,026	2,99,21,476	26,39,013	6,93,01,489	2,12,38,987	95,80,994	24,41,773	2,83,78,208	4,09,23,281	2,07,80,039
Computers	10,39,39,585	7,17,40,016	20,86,799	17,35,92,802	6,70,20,049	2,75,65,517	20,86,796	9,24,98,770	8,10,94,032	3,69,19,536
	<b>27,47,98,111</b>	<b>15,64,49,021</b>	<b>1,73,25,055</b>	<b>41,39,22,077</b>	<b>14,37,19,513</b>	<b>5,85,02,647</b>	<b>1,53,45,925</b>	<b>18,68,76,235</b>	<b>22,70,45,842</b>	<b>13,10,78,598</b>
<b>Intangible assets</b>										
Software	13,52,76,870	1,71,08,650	-	15,23,85,520	9,49,51,141	2,30,05,833	-	11,79,56,973	3,44,28,547	4,03,25,729
<b>Total</b>	<b>41,00,74,981</b>	<b>17,35,57,671</b>	<b>1,73,25,055</b>	<b>56,63,07,597</b>	<b>23,86,70,654</b>	<b>8,15,08,480</b>	<b>1,53,45,925</b>	<b>30,48,33,208</b>	<b>26,14,74,389</b>	<b>17,14,04,327</b>
Previous Year	35,05,20,061	6,35,56,994	40,02,074	41,00,74,981	17,92,22,287	6,29,45,636	34,97,269	23,86,70,654	17,14,04,327	

**Notes to financial statements for the year ended 31 March, 2016**
**10. Loans and advances (Unsecured, considered good)**

	Non Current		Current	
	31 March 2016 ₹	31 March 2015 ₹	31 March 2016 ₹	31 March 2015 ₹
<b>Capital Advances</b>	-	1,79,47,769	8,08,96,287	-
<b>A</b>	-	<b>1,79,47,769</b>	<b>8,08,96,287</b>	-
<b>Security deposit</b>				
- Unsecured, considered good	7,43,11,745	5,76,03,291	23,91,859	23,91,859
- Unsecured, considered doubtful	-	4,41,300	-	-
	<b>7,43,11,745</b>	<b>5,80,44,591</b>	<b>23,91,859</b>	<b>23,91,859</b>
Less: Provision for doubtful receivable	-	(4,41,300)	-	-
<b>B</b>	<b>7,43,11,745</b>	<b>5,76,03,291</b>	<b>23,91,859</b>	<b>23,91,859</b>
<b>Advances recoverable in cash or kind</b>				
- Unsecured, considered good	-	-	1,57,92,983	53,82,063
- Unsecured, considered doubtful	-	-	4,39,700	4,39,700
			<b>1,62,32,683</b>	<b>58,21,763</b>
Less: Provision for doubtful receivable			(4,39,700)	(4,39,700)
<b>C</b>	-	-	<b>1,57,92,983</b>	<b>53,82,063</b>
<b>Other loans and advances</b>				
Advance income-tax (net)*	48,95,62,945	30,63,10,185	-	-
Prepaid expenses	-	44,382	1,60,26,523	1,60,12,480
Balances with statutory / government authorities	-	-	14,04,627	49,60,327
<b>D</b>	<b>48,95,62,945</b>	<b>30,63,54,567</b>	<b>1,74,31,150</b>	<b>2,09,72,807</b>
<b>Total (A+B+C+D)</b>	<b>56,38,74,690</b>	<b>38,19,05,627</b>	<b>11,65,12,279</b>	<b>2,87,46,729</b>

\* 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. Investments**

	Non Current		Current	
	31 March 2016 ₹	31 March 2015 ₹	31 March 2016 ₹	31 March 2015 ₹
Investment- (non-trade, unquoted) (valued at cost or fair value, whichever is lower)				
Investment in mutual funds	-	-	-	1,50,00,000
Nil Units (previous year 9,676.24 units) in Axis Liquid Fund-Direct Plan-Growth option				
	-	-	-	<b>1,50,00,000</b>

**Notes to financial statements for the year ended 31 March, 2016**
**12. Trade receivables and other assets**
**12.1 Trade receivables**

	Non Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	₹	₹	₹	₹
<b>Unsecured, considered good unless stated otherwise</b>				
Unsecured, considered good	-	-	42,95,498	22,59,932
Doubtful	-	-	1,50,89,014	97,49,592
	-	-	1,93,84,512	1,20,09,524
Provision for doubtful debts	-	-	(1,50,89,014)	(97,49,592)
<b>(A)</b>	-	-	<b>42,95,498</b>	<b>22,59,932</b>
<b>Other receivables</b>				
Unsecured, considered good				
- Due from holding company	-	-	17,90,49,847	14,81,75,436
- Due from others	-	-	28,29,61,835	33,01,06,609
Doubtful	-	-	12,65,000	14,22,313
	-	-	46,32,76,682	47,97,04,358
Provision for doubtful receivables	-	-	(12,65,000)	(14,22,313)
<b>(B)</b>	-	-	<b>46,20,11,682</b>	<b>47,82,82,045</b>
<b>Total (A) + (B)</b>	-	-	<b>46,63,07,180</b>	<b>48,05,41,977</b>

**12.2 Other Assets (Unsecured, considered good)**

	Non Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	₹	₹	₹	₹
Non-current bank balances -				
Fixed Deposits (note 13)	35,00,000	11,75,00,000	-	-
<b>Others</b>				
Interest accrued on fixed deposits	30,093	58,68,695	5,85,08,556	4,83,28,566
<b>Total</b>	<b>35,30,093</b>	<b>12,33,68,695</b>	<b>5,85,08,556</b>	<b>4,83,28,566</b>

**Notes to financial statements for the year ended 31 March, 2016**
**13. Cash and bank balances**

	Non Current		Current	
	31 March 2016 ₹	31 March 2015 ₹	31 March 2016 ₹	31 March 2015 ₹
Cash and cash equivalents				
Balances with banks:				
– On current accounts	–	–	39,12,36,143	54,95,72,168
Cash on hand	–	–	–	–
	<b>–</b>	<b>–</b>	<b>39,12,36,143</b>	<b>54,95,72,168</b>
Other bank balances				
– Deposits with original maturity for more than 12 months	–	1,25,00,000	–	1,27,47,864
– Deposits with original maturity for more than 12 months under lien	35,00,000	10,50,00,000	1,27,50,00,000	99,55,34,205
	<b>35,00,000</b>	<b>11,75,00,000</b>	<b>1,27,50,00,000</b>	<b>1,00,82,82,069</b>
Amount disclosed under non-current assets (note 12.2)	(35,00,000)	(11,75,00,000)		
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,66,62,36,143</b>	<b>1,55,78,54,237</b>

**14. Revenue from operations**

	31 March 2016 ₹	31 March 2015 ₹
Revenue from operations		
1. Income from business sourcing and resource management services	4,30,89,13,036	3,29,77,93,288
2. Professional Fees	65,69,167	59,91,534
3. Brokerage Income	1,05,76,61,087	1,00,96,31,818
4. Other operating income	13,23,87,644	10,42,63,989
<b>Total</b>	<b>5,50,55,20,934</b>	<b>4,41,76,80,629</b>

**15. Other income**

	31 March 2016 ₹	31 March 2015 ₹
Interest income on bank deposits	10,38,93,488	12,35,43,028
Profit on sale of investments	89,25,410	68,81,846
Dividend on preference shares	–	6,98,082
Miscellaneous income	5,30,222	2,59,350
Other non operating income	–	3,34,535
<b>Total</b>	<b>11,33,49,120</b>	<b>13,17,16,841</b>

**16. Employee benefits expense**

	31 March 2016 ₹	31 March 2015 ₹
Salaries, wages and bonus	4,12,24,06,592	3,05,05,90,203
Contribution to provident and other funds	22,97,27,522	17,10,04,376
Staff welfare expenses	76,82,891	72,26,792
Gratuity expense	1,27,97,077	1,04,27,308
<b>Total</b>	<b>4,37,26,14,082</b>	<b>3,23,92,48,679</b>

**Notes to financial statements for the year ended 31 March, 2016**
**17. Finance Charges**

	31 March 2016	31 March 2015
	₹	₹
Bank guarantee commission	55,60,325	45,19,197
Interest on overdraft	11,066	2,18,492
<b>Total</b>	<b>55,71,391</b>	<b>47,37,689</b>

**18. Other expenses**

	31 March 2016	31 March 2015
	₹	₹
Rent (premises)	12,05,31,432	9,38,07,379
Lease rental (computer server)	53,54,851	1,10,88,297
Stamp, registration and exchange charges	49,39,564	31,39,567
Franking charges	2,01,91,261	2,03,92,907
Advertisement and sales promotion	5,22,39,727	6,39,60,762
Rates and taxes	19,07,335	34,53,729
Insurance	8,00,581	8,73,981
Housekeeping expenses	1,76,28,152	1,55,74,923
Security charges	1,05,99,632	83,10,282
Repair and maintenance- others	65,25,142	71,55,306
Travelling and conveyance	4,59,71,478	3,20,80,944
Communication cost	5,69,03,375	4,91,80,063
Call center cost	1,98,17,433	2,84,70,120
Information technology expenses	8,00,83,059	7,39,83,688
Loss on sale of fixed assets	14,71,793	3,65,075
Printing & stationery	3,20,51,806	2,87,86,535
Legal and professional fees	1,74,80,997	96,95,271
Director's sitting fees	13,50,000	5,34,000
Auditors' remuneration :		
- Audit fee	26,00,000	22,00,000
- Out of pocket expenses	35,500	-
Expense towards Corporate Social Responsibility (refer note 31)	53,00,000	4,98,500
Electricity and water charges	2,18,63,487	1,97,85,477
Office expenses	55,27,859	25,73,857
Membership & subscription fees	73,99,676	69,04,566
Recruitment and training expenses	2,82,16,787	1,94,40,612
Miscellaneous expenses	77,28,700	93,45,172
Commission paid	6,69,986	8,15,905
Provision for bad & doubtful debts	51,82,109	49,42,383
Acquisition of business expenses	-	60,44,000
Sub brokerage	3,01,20,262	4,97,93,468
<b>Total</b>	<b>61,04,91,984</b>	<b>57,31,96,765</b>

## Notes forming part of the financial statements

### 19. 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 rental payable under operating leases are as follows:-

	2015-16	2014-15
	₹	₹
Minimum lease payments :		
Not later than one year	11,54,23,203	8,89,60,925
Later than one year but not later than five years	45,07,15,710	26,15,97,019
Later than five years	14,98,78,627	10,34,04,499
Lease payment for the year	12,58,86,283	10,48,95,675

### 20. Details of Foreign currency transactions (accrual basis)

Expenditure in foreign currency	2015-16	2014-15
	₹	₹
Subscription charges	28,91,908	24,53,848
Email charges	3,60,367	13,57,023
Hotel & traveling expenses	4,77,048	-
	<b>37,29,323</b>	<b>38,10,871</b>

### 21. 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.

**Notes forming part of the financial statements**
**Net employee benefit expense (recognized in employee cost)**

	2015-16	2014-15
	₹	₹
Current service cost	57,26,952	45,68,053
Past service cost	-	-
Interest cost	19,66,771	16,81,575
Actuarial gain/(loss) on plan assets	-	-
Expected return on plan assets	(7,49,759)	(5,30,384)
Net actuarial (gain)/loss recognized in the year	58,53,113	47,08,064
Benefits paid	-	-
<b>Net gratuity cost</b>	<b>1,27,97,077</b>	<b>1,04,27,308</b>

**Balance Sheet**

(Details of provision for gratuity)

	2015-16	2014-15
	₹	₹
Present value of obligation as at the end of the year	3,62,18,210	2,92,91,118
Fair value of plan assets as at the end of the year	2,03,05,225	1,61,75,210
Net assets/(liability) recognized in balance sheet	<b>(1,59,12,985)</b>	<b>(1,31,15,908)</b>

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

	2015-16	2014-15
	₹	₹
Opening defined benefit obligation	2,92,91,118	2,36,81,558
Past service cost	-	-
Current service cost	57,26,952	45,68,053
Interest cost	19,66,771	16,81,575
Actuarial (gain)/loss	68,41,227	49,31,948
Benefits paid	(76,07,858)	(55,72,016)
<b>Closing defined benefit obligation</b>	<b>3,62,18,210</b>	<b>2,92,91,118</b>

**Changes in fair value of plan assets are as follows :**

	2015-16	2014-15
	₹	₹
Opening fair value of plan assets	1,61,75,210	1,09,92,958
Expected return on plan assets	7,49,759	5,30,384
Actuarial gain/(loss)	9,88,114	2,23,884
Contribution by the employer	1,00,00,000	1,00,00,000
Benefits paid	(76,07,858)	(55,72,016)
<b>Closing fair value of plan assets</b>	<b>2,03,05,225</b>	<b>1,61,75,210</b>

The Company expects to contribute ₹ 1,00,00,000 to gratuity in the next year.

## Notes forming part of the financial statements for the year ended 31 March, 2016

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

	For the year ended 31st March 16	For the year ended 31st March 15
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-16 ₹	31-Mar-15 ₹
Discount rate	7.20%	8.25%
Expected rate of return on assets	7.20%	7.50%
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.

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

	31 March 16 ₹	31 March 15 ₹	31 March 14 ₹	31 March 13 ₹	31 March 12 ₹
Defined benefit obligation	3,62,18,210	2,92,91,118	2,36,81,558	71,11,323	48,69,559
Plan assets	2,03,05,225	1,61,75,210	1,09,92,958	64,43,236	55,50,980
Surplus / (deficit)	(1,59,12,985)	(1,31,15,908)	(1,26,88,600)	(6,68,087)	6,81,421
Experience adjustment on plan liabilities *	59,95,378	47,10,216	21,77,873	7,57,081	-
Experience adjustment on plan assets *	9,88,114	2,23,884	2,47,652	(69,387)	-

\* Information pertaining to experience adjustments as at March, 31, 2012 on plan assets and liabilities is not available with the Company.

22. 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 2016 and 31 March 2015 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.



**Notes forming part of the financial statements for the year ended 31 March, 2016**
**23. Deferred Tax Asset arising on account of provision for :-**

Particulars	31 March 16	31 March 15
	₹	₹
Deferred tax assets comprise timing difference on account of :		
Depreciation on Fixed assets	1,19,815	(3,17,311)
Rent- Lease equilisation	65,55,953	39,54,868
Provision for doubtful debts	58,58,180	40,96,782
Gratuity	54,08,823	44,58,097
Acquisition expense allowable in future years	33,37,721	49,45,205
<b>Total</b>	<b>2,12,80,492</b>	<b>1,71,37,642</b>

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

Particulars	31 March 16	31 March 15
	₹	₹
Commitment for addition/acquisition of broking software	1,23,05,005	1,14,14,250
Commitment for ERP software	50,000	2,80,000
Commitment for leasehold improvement and other capital assets	1,90,78,344	1,73,62,716
<b>Total</b>	<b>3,14,33,349</b>	<b>2,90,56,966</b>

**25. Segment information**

Business Segment	Principal Activities		
Resources management and marketing 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 2016		
Particulars	Sales Division	Retail Broking Division	Total
<b>Segment revenue</b>			
Gross income (external customers)	4,30,89,13,036	1,19,66,07,898	5,50,55,20,934
	(3,29,77,93,288)	(1,11,98,87,341)	(4,41,76,80,629)
Other income (external customers)	83,01,620	10,50,47,500	11,33,49,120
	(1,30,78,247)	(11,86,38,594)	(13,17,16,841)
Total revenue	4,31,72,14,656	1,30,16,55,398	5,61,88,70,054
	(3,31,08,71,535)	(1,23,85,25,935)	(4,54,93,97,470)
Operating expenses	4,01,87,97,021	1,05,13,88,916	5,07,01,85,937
	(2,97,67,66,998)	(90,28,27,771)	(3,87,95,94,769)
Unallocated expenses	-	-	-
	-	-	(5,34,000)
Profit/(loss) before tax	29,84,17,635	25,02,66,482	54,86,84,117
	(33,41,04,537)	(33,56,98,164)	(66,92,68,701)

**Notes forming part of the financial statements for the year ended 31 March, 2016**

Taxation	-	-	<b>(19,18,57,152)</b>
	-	-	(22,86,04,743)
Segment result	<b>29,84,17,635</b>	<b>25,02,66,482</b>	<b>35,68,26,965</b>
	(33,41,04,537)	(33,56,98,164)	(44,06,63,958)
Segment assets	<b>1,06,74,07,917</b>	<b>2,09,03,15,904</b>	<b>3,15,77,23,821</b>
	(90,99,00,735)	(1,91,43,87,065)	(2,82,42,87,800)
Segment liabilities	<b>51,74,82,259</b>	<b>66,87,74,701</b>	<b>1,18,62,56,960</b>
	(33,29,95,996)	(70,27,35,108)	(1,03,57,31,104)
Net assets	<b>54,99,25,658</b>	<b>1,42,15,41,203</b>	<b>1,97,14,66,861</b>
	(57,69,04,739)	(1,21,16,51,957)	(1,78,85,56,696)
Fixed assets addition during the year	<b>4,99,67,717</b>	<b>12,35,89,954</b>	<b>17,35,57,671</b>
	(1,71,87,144)	(4,63,69,850)	(6,35,56,994)
Depreciation on fixed assets during the year	<b>1,98,49,674</b>	<b>6,16,58,806</b>	<b>8,15,08,480</b>
	(1,53,79,040)	(4,75,66,596)	(6,29,45,636)

Figures in the bracket pertains to previous year ended 31 March 2015.

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

**26. 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)(w.e.f 1 March 2014) Mr. Modan Saha (Director) (Upto 31st July 2014) Mr. Anand Shaha (Whole Time Director) (w.e.f 1 March 2014) Mr. Hemantkumar Patel (Chief Financial Officer) (w.e.f. 3rd February 2015) Ms. Shilpi Khandelwal (Company Secretary) (Upto 11th September 2015) Ms. Lovelina Faroz (Company Secretary) (Upto 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) Axis Bank UK Limited (ABUKL) Axis Finance Limited (AFL) Axis Securities Europe Limited
Step-down Subsidiary diary of Holding Company	Enam International Limited (EIL) (liquidated on 24th August, 2014)
Associate of Holding Company	Bussan Auto Finance India Private Limited (upto 30th March 2015)

**Notes forming part of the financial statements for the year ended 31 March, 2016**

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
<b>Income</b>				
Business sourcing fee income	<b>2,69,34,12,089</b>			<b>2,69,34,12,089</b>
	(1,71,39,27,272)			(1,71,39,27,272)
Resource management fee	<b>1,49,21,65,817</b>			<b>1,49,21,65,817</b>
	(1,46,88,72,208)			(1,46,88,72,208)
Resource management fees (AAMC)			<b>12,49,35,130</b>	<b>12,49,35,130</b>
			(9,31,15,066)	(9,31,15,066)
Bank interest	<b>9,91,35,006</b>			<b>9,91,35,006</b>
	(12,35,43,028)			(12,35,43,028)
Other income (AFL)			<b>39,476</b>	<b>39,476</b>
			-	-
Other income (AAMC)			<b>96,60,033</b>	<b>96,60,033</b>
			(28,06,469)	(28,06,469)
Other income (ACL)			<b>6,11,702</b>	<b>6,11,702</b>
			(28,97,386)	(28,97,386)
Brokerage income (Mr. Arun Thukral)		<b>1,40,819</b>		<b>1,40,819</b>
		(1,05,784)		(1,05,784)
Brokerage income (Mr. Anand Shaha)		<b>2,982</b>		<b>2,982</b>
		(6)		(6)
<b>Expenses</b>				
Salaries (Mr. Arun Thukral)	<b>99,63,863</b>			<b>99,63,863</b>
	(1,02,27,016)			(1,02,27,016)
Salaries (Mr. Anand Shaha)		<b>71,22,568</b>		<b>71,22,568</b>
		(64,20,772)		(64,20,772)
Salaries (Mr. Hemantkumar Patel)		<b>32,00,296</b>		<b>32,00,296</b>
		(4,93,118)		(4,93,118)
Salaries (Ms. Shilpi Khandelwal)		<b>4,73,445</b>		<b>4,73,445</b>
		(8,11,963)		(8,11,963)
Salaries (Ms. Lovelina Faroz)		<b>5,05,422</b>		<b>5,05,422</b>
		-		-
Nominee director sitting Fees	-			-
	(27,000)			(27,000)
Reimbursement for expenses	<b>5,83,46,358</b>			<b>5,83,46,358</b>
	(5,99,89,747)			(5,99,89,747)
Reimbursement for expenses (Arun Thukral)	<b>48,679</b>	<b>2,02,130</b>		<b>2,50,809</b>
	(94,482)	(36,593)		(1,31,075)
Bank charges & other charges paid	<b>20,88,293</b>			<b>20,88,293</b>
	(78,38,825)			(78,38,825)
Other expenses/ reimbursements (ACL)			-	-
			(8,05,618)	(-)
Other expenses/ reimbursements (AFL)			-	-
			-	-
<b>Other transactions</b>		-		
Other reimbursement received (AFL)			<b>3,69,238</b>	<b>3,69,238</b>
			(1,89,469)	(1,89,469)
Reimbursement of operating expenses	<b>45,788</b>	<b>56,154</b>		<b>1,01,942</b>
	(1,49,320)	(1,36,570)		(2,85,890)
Advance received	<b>24,00,00,000</b>			<b>24,00,00,000</b>
	(21,00,00,000)			(21,00,00,000)

**Notes forming part of the financial statements for the year ended 31 March, 2016**

Transaction / Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
Investment in preference shares (AAMC)			-	-
			(10,00,00,000)	(-)
Redemption of preference shares (AAMC)			-	-
			(10,00,00,000)	(-)
Dividend received on preference shares (AAMC)			-	-
			(6,98,082)	(-)
Dividend paid	<b>14,45,00,000</b>			<b>14,45,00,000</b>
	(18,06,25,000)			(18,06,25,000)
<b>Guarantees received during the year</b>	-			-
	(69,00,00,000)			(69,00,00,000)
<b>Outstanding balance as at 31 March 2016</b>				
Axis Bank Limited-Guarantee received	<b>19,00,00,000</b>			<b>19,00,00,000</b>
	(73,35,00,000)			(73,35,00,000)
Other payables	<b>94,46,367</b>			<b>94,46,367</b>
	(80,03,736)			(80,03,736)
Accounts receivable-for services rendered	<b>17,90,49,847</b>			<b>17,90,49,847</b>
	(14,81,75,436)			(14,81,75,436)
Accounts receivable-for services rendered-(AAMC)			<b>1,63,91,248</b>	<b>1,63,91,248</b>
			(2,14,14,050)	(2,14,14,050)
Other receivables (AAMC)			<b>14,82,016</b>	<b>14,82,016</b>
			(8,85,892)	(8,85,892)
Other receivables (ACL)			<b>15,889</b>	<b>15,889</b>
			(4,470)	(4,470)
Other receivables (AFL)			<b>44,159</b>	<b>44,159</b>
			(25,583)	(25,583)
Current account	<b>37,88,20,733</b>			<b>37,88,20,733</b>
	(48,13,64,040)			(48,13,64,040)
Fixed deposit balance	<b>1,13,27,56,016</b>			<b>1,13,27,56,016</b>
	(1,17,99,79,330)			(1,17,99,79,330)

**Notes:**

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

**27. Outstanding bank guarantee issued on behalf of the Company:**

	31-Mar-16 ₹	31-Mar-15 ₹
Axis Bank Limited	19,00,00,000	73,35,00,000
Bank of Baroda	40,00,00,000	-
<b>Total</b>	<b>59,00,00,000</b>	<b>73,35,00,000</b>

**Notes forming part of the financial statements for the year ended 31 March, 2016**
**28. Earnings per share ('EPS')**

	2015-16	2014-15
	₹	₹
Profit/ (loss) after tax	35,68,26,965	44,06,63,958
<b>Net profit/ (loss) for calculation of basic and diluted EPS</b>	<b>35,68,26,965</b>	<b>44,06,63,958</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of equity shares in calculating basic and diluted EPS	14,45,00,000	14,45,00,000
<b>Basic earnings per share</b>	<b>2.47</b>	3.05
<b>Diluted earnings per share</b>	<b>2.47</b>	3.05

**29. 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 2016	As on 31 March 2015
Stamp Act	Penalty on Stamp Duty	MP High Court	18,13,193	18,13,193
Income Tax	Penalty	ITAT	20,38,021	3,72,508
Income Tax	Penalty	CIT (A)	4,51,234	21,16,747
Income Tax	Income Tax	CIT (A)	3,12,59,429	-
Investor's grievance redressal panel (NSE- Vadodara)	IGRP proceedings	High Court - Ahmedabad	13,50,000	18,00,000
IGRP & Arbitration matter (BSE-Vadodara)	IGRP proceedings	Arbitration	10,50,000	-

**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.

**30. (a) Opening and closing stock**

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

Notes forming part of the financial statements for the year ended 31 March, 2016

(b) Purchase and sale

Category	Purchase		Sales	
	Quantity	Value	Quantity	Value
Equity shares	46,324	76,63,183	46,324	76,28,092
	(55,124)	(1,47,06,361)	(55,124)	(1,47,01,070)
Derivatives	59,155	9,592,142	59,155	95,70,031
	(7,51,250)	(1,46,44,977)	(7,51,250)	(1,46,39,739)

31. Details of CSR Expenditure:

	31-Mar-16	31-Mar-15
	₹	₹
Gross amount required to be spent by the group during the year	51,92,311	4,98,430
	<b>51,92,311</b>	<b>4,98,430</b>

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

	In cash	Yet to be paid in cash	Total
i) Construction / acquisition of asset	-	-	-
ii) On purposes other than (i) above	53,00,000	-	53,00,000

(b) Amount spent during the year ending on 31st March, 2015:

	In cash	Yet to be paid in cash	Total
i) Construction / acquisition of asset	-	-	-
ii) On purposes other than (i) above	4,98,500	-	4,98,500

32. During the year, the holding company issued 38,000 [Previous year: 15,000 (pre-split of Face Value)] of stock options to some employees of the holding company who are on deputation with the Company. Since these stock options are issued by the holding company directly to the employees of the holding company and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financials statements.

33. Previous year comparatives

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

For S.R. Baltiboi & Co. LLP  
 Firm Registration No.301003E  
 Chartered Accountants

per Jitendra H. Ranawat  
 Partner  
 Membership No. : 103380

Place : Mumbai  
 Date : 14 April 2016

For and on behalf of the board of Directors

Rajiv Anand  
 Chairman  
 DIN No: 02541753

Arun Thukral  
 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



