

Independent Auditor's Review Report on unaudited financial results of Axis Securities Limited for the quarter ended June 30, 2023 pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended)

Review report to,
The Board of Directors
Axis Securities Limited

1. We have reviewed the accompanying statement of unaudited financial results of Axis Securities Limited (the 'Company') for the quarter ended June 30, 2023 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the "Listing Regulations").
2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 – "Review of Interim Financial Information performed by the Independent Auditor of the entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



Other Matter

5. The comparative financial results of the Company as stated in statement for the quarter ended June 30, 2022 and for the year ended March 31, 2023 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on July 13, 2022 and April 14, 2023 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter ended June 30, 2022 and the year ended March 31, 2023.

Our conclusion is not modified in respect of the above matter.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Place: Mumbai
Date: July 12, 2023
UDIN: 23414420BGVLII4345

Shweta Singhal
Partner
Membership No: 414420

Axis Securities Limited

Statement of unaudited financial results for the quarter ended 30 June, 2023

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended
		30 June, 2023	31 March, 2023	30 June, 2022	31 March, 2023
		(Reviewed)	(refer note 5)	(Reviewed)	(Audited)
	Revenue from Operation				
(i)	Brokerage and Fees income	12,377	11,403	10,356	45,855
(ii)	Interest income	6,885	7,390	5,239	25,261
(iii)	Net gain / (loss) on fair value changes	136	104	173	684
(I)	Total revenue from Operations	19,398	18,897	15,768	71,800
(II)	Other income	140	337	34	797
(III)	Total Income (I+IIa+IIb)	19,538	19,234	15,802	72,597
	Expenses				
(i)	Finance Cost	2,849	3,120	1,467	9,202
(ii)	Impairment on financial Instruments	601	391	836	920
(iii)	Employee Benefits Expenses	5,654	5,091	4,367	19,546
(iv)	Depreciation, amortisation and impairment	757	774	713	2,993
(v)	Other Expenses	3,809	3,049	3,230	12,717
(IV)	Total Expenses	13,670	12,425	10,613	45,378
(V)	Profit/(loss) before tax (III-IV)	5,868	6,809	5,189	27,219
(VI)	Tax Expenses				
	Current tax	1,750	1,546	1,795	7,217
	Deferred tax	(197)	103	(451)	(89)
		1,553	1,649	1,344	7,128
(VII)	Profit for the period (V-VI)	4,315	5,160	3,845	20,091
(VIII)	Other Comprehensive income				
(i)	Items that will not be reclassified to profit or loss				
(a)	Remeasurement of defined employee benefits plans	-	12	-	12
(b)	Fair value Gain on strategic equity securities	-	(1,302)	-	(3,279)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	-	324	-	822
	Other Comprehensive Income	-	(966)	-	(2,445)
(IX)	Total comprehensive income for the period/year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the period /year]	4,315	4,194	3,845	17,646
(X)	Earnings per equity shares : (Face value Rs 10/- per shares)*				
	Basic (in ₹)	2.99	3.57	2.66	13.90
	Diluted (in ₹)	2.99	3.57	2.66	13.90

*EPS is not annualised for interim periods



Axis Securities Limited
Balance Sheet as at 30 June 2023

Particulars	As at 30 June, 2023 (₹ in Lakhs)	As at 31 March, 2023 (₹ in Lakhs)
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	36,781	25,573
(b) Bank balance other than Cash and cash equivalents	88,088	82,451
(c) Securities for trade	-	3,310
(d) Receivables		
Trade receivables	19,753	22,902
(e) Loans	1,76,432	1,49,778
(f) Investments	20,942	20,942
(g) Other financial assets	13,119	1,775
Total Financial Assets	3,55,115	3,06,731
2 Non - Financial Assets		
(a) Current tax assets (net)	1,271	1,186
(b) Deferred tax assets (net)	-	-
(b) Property, plant and equipment	3,752	4,038
(c) Right-of-use-asset	4,680	4,907
(d) Capital work-in-progress	-	-
(e) Intangible assets under development	116	59
(f) Other intangible assets	1,500	1,586
(g) Other non-financial assets	1,622	1,383
Total Non- Financials assets	12,941	13,159
Total Assets	3,68,056	3,19,890
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
(a) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	50,035	35,045
(b) Debt Securities	1,18,432	1,28,280
(c) Borrowing (other than debt securities)	30,032	12,503
(d) Lease Liabilities	5,347	5,452
(e) Other financial liabilities	39,548	24,689
Total Financials Liabilities	2,43,394	2,05,969
2 Non - Financial Liabilities		
(a) Current tax liabilities (net)	374	56
(b) Provisions	5,840	6,271
(c) Deferred tax liabilities (net)	2,296	2,493
(d) Other non- financial liabilities	9,361	2,625
Total Non-Financials Liabilities	17,871	11,445
3 EQUITY		
(a) Equity share capital	14,450	14,450
(b) Other equity	92,341	88,026
Total Equity	1,06,791	1,02,476
Total Liabilities and Equity	3,68,056	3,19,890



Axis Securities Limited
Cash Flow Statement for the period ended 30 June 2023

Particulars	Period ended	Period ended
	30 June, 2023	30 June, 2022
	(₹ in Lakhs)	(₹ in Lakhs)
Cash flow from operating activities		
Profit before tax	5,868	5,189
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation amortization and Impairment expense	757	713
Profit on sale of investments (fair value through P & L)	(7)	(12)
Net loss on derecognition of property, plant and equipment	(3)	(1)
Interest income	(1,316)	(582)
Impairment on financial instruments	601	836
Share based payments to employees	-	9
Interest expense	2,759	1,467
Operating profit before working capital changes	8,659	7,619
Adjustments for changes in working capital		
(Increase) / Decrease in other bank balances	(4,330)	(7,019)
(Increase) / Decrease in trade receivables	2,682	(2,900)
(Increase) / Decrease in loans	(26,788)	(2,929)
(Increase) / Decrease in other financial assets	(11,344)	23,265
(Increase) / Decrease in Securities for trade	3,310	-
(Increase) / Decrease in other non Financial assets	(239)	(16)
Increase / (Decrease) in trade payables	14,990	(6,675)
Increase / (Decrease) in other financial liabilities	14,859	(6,051)
Increase / (Decrease) in provision	(431)	(1,441)
Increase / (Decrease) in other non financial liabilities	6,736	5,227
Cash (used in) / generated from operations	8,104	9,080
Income tax paid (net)	(1,517)	(1,311)
Net cash (used in) / generated from Operating activities (A)	6,587	7,769
Cash flow from Investing activities		
Purchase of property, plant and equipment	(104)	(285)
Proceeds from sale of property, plant and equipment	12	2
Increase in Capital work in progress	-	(61)
Gain on Other Investments	7	12
Purchase of intangible assets incl. intangible under developments	(119)	(299)
Proceeds from sale of Intangible assets	(1)	-
Net cash (used in) / generated from Investing activities (B)	(205)	(631)
Cash flow from Financing activity		
Interest paid on borrowings	(15,209)	(1,342)
Interest paid on lease liabilities	(212)	(283)
Borrowing other than debt securities (net)	30,095	-
Proceeds from issuance of commercial paper	1,20,152	1,01,878
Redemption of commercial paper	(1,30,000)	(98,249)
Net cash (used in) / generated from Financing activities (C)	4,826	2,004
Net (decrease) / increase in cash and cash equivalents (A+B+C)	11,208	9,142
Cash and cash equivalents at the beginning of the year	25,573	35,147
Cash and cash equivalents at the end of the year	36,781	44,289
Components of cash and cash equivalents		
Cash and Cash Equivalents comprises of :		
Balances with banks:		
– In current accounts	36,678	35,573
– Balance in prepaid cards	3	3
– Deposits with original maturity of less than three months	-	-
Cash in hand	-	-
– Fixed deposit with original maturity less than 3 months	100	8,699
– Interest accrued on Fixed deposits	-	14
Total Cash and Cash Equivalents	36,781	44,289

The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS) - 7 'Statement of Cash Flows' notified under section 133 of the Companies Act 2013, read together with Companies (Indian Accounting Standards) Rules, 2015.



Notes:

- 1) The Company is engaged in the business of broking, distribution of financial products and advisory services.
- 2) The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) - 34 - Interim Financial Reporting, notified u/s 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 3) The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 12 July, 2023. The statutory auditors have conducted limited review and issued unmodified conclusion on the financial results.
- 4) Pursuant to SEBI circular SEBI Circular No. SEBI/HO/DDHS/CIR/2021/613 dated 10 August, 2021 (updated as on 13 April 2022) to the extent applicable to Commercial papers and information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the quarter ended 30 June, 2023 is attached herewith as annexure 'A'. Details as mentioned in Annexure 'A' have not been subjected to review/audit by statutory auditors.
- 5) The figures of the quarter ended 31 March, 2023, are the balancing figures between audited figures in respect of the full financial year up to 31 March, 2023 and year-to-date figures up to 31 December, 2022, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 6) The Company operates only in one Business Segment i.e. "Broking & Related services" hence doesn't have any reportable segment as per Ind-AS 108 "Operating Segments"
- 7) The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended 31 March, 2023.
- 8) The financial results for the quarter ended 30 June, 2022, 31 March, 2023 and year ended 31 March, 2023 were reviewed / audited by erstwhile statutory auditors.
- 9) The results for the quarter ended 30 June, 2023 are available on the BSE Ltd website www.bseindia.com.
- 10) Previous period / year figures have been regrouped / rearranged wherever necessary to conform to the current period/year classifications.

For and on behalf of Board of Directors



Pranav Haridasan
Managing Director & CEO
DIN No: 02733184
Date : 12 July 2023

Annexure A

Pursuant to SEBI Operational circular SEBI/HO/DDHS/CIR/2021/613 dated August 10, 2021 to the extent applicable to Commercial papers, information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the period ended June 30, 2023 is as mentioned below:

a) Key Financial Information

Particulars	Period ended June 30, 2023	Year ended March 31, 2023
Debt Equity Ratio ¹	1.40 Times	1.39 Times
Debt Service Coverage Ratio ²	0.06 Times	0.24 Times
Interest Service Coverage Ratio ³	3.22 Times	4.24 Times
Outstanding redeemable preference shares (quantity and value)	Not Applicable	Not Applicable
Capital redemption reserve/ Debenture redemption reserve	Not Applicable	Not Applicable
Net Worth ⁴	106,791 Lakhs	1,02,476 Lakhs
Net Profit after tax	4,315 Lakhs	20,091 Lakhs
Earnings Per shares (Basic and Diluted) (Face Value Rs. 10 per share)	Rs. 2.99	Rs. 13.90
Current ratio	1.33 Times	1.35 Times
Long term debt to working capital ratio ⁵	Nil	Nil
Bad debts to account receivable ratio	0.00%	4.83%
Current liability ratio	0.90 Times	0.96 Times
Total debt to total assets ratio	0.41 Times	0.45 Times
Debtors turnover ratio ⁶	0.13 Times	0.71 Times
Inventory turnover ratio	Not applicable	Not applicable
Operating margin (%) ⁷	30.25%	37.91%
Net profit margin (%) ⁸	22.24%	27.98%

¹ Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)

² Debt Service Coverage Ratio = Profit before interest and tax / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on leases) + Principal Repayments)

³ Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on leases)

⁴ Net Worth = Equity share capital + Other Equity

⁵ Company do not have any long term debt and hence the ratio is Nil

⁶ Debtors turnover ratio = Fees and commission Income / Trade receivable

⁷ Operating margin = Profit before tax / Total revenue from operation

⁸ Net profit margin = Profit after tax / Total revenue from operation