

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Axis Securities Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Axis Securities Limited (the "Company") for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Securities and Exchange Board of India operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Audit Committee of the Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

VIREN H MEHTA
Digitally signed by VIREN H MEHTA
DN: cn=VIREN H MEHTA, c=IN, o=Personal, email=viren.mehta@grb.in
Date: 2023.04.14 16:43:54 +05'30'

per Viren H. Mehta

Partner

Membership No.: 048749

UDIN: 23048749BGVGJN7141

Place of Signature: Mumbai

Date: April 14, 2023

Particulars	Quarter ended			Year ended	
	31 March, 2023	31 December, 2022	31 March, 2022	31 March, 2023	31 March, 2022
	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
Revenue from Operation					
(i) Brokerage and Fees income	11,403	11,989	12,647	45,855	49,833
(ii) Interest income	7,390	7,127	5,106	25,261	15,608
(iii) Net gain / (loss) on fair value changes	104	187	126	684	559
(I) Total revenue from Operations	18,897	19,303	17,879	71,800	66,000
(IIa) Other income	337	406	70	797	186
(IIb) Dividend Income	-	-	-	-	177
(III) Total Income (I+IIa+IIb)	19,234	19,709	17,949	72,597	66,363
Expenses					
(i) Finance Cost	3,120	2,809	1,452	9,202	3,869
(ii) Impairment on financial Instruments	391	565	(140)	920	1,850
(iii) Employee Benefits Expenses	5,091	5,189	4,762	19,546	16,901
(iv) Depreciation, amortisation and impairment	774	756	707	2,993	2,314
(v) Other Expenses	3,049	3,241	3,385	12,717	10,601
(IV) Total Expenses	12,425	12,560	10,166	45,378	35,535
(V) Profit/(loss) before tax (III-IV)	6,809	7,149	7,783	27,219	30,828
(VI) Tax Expenses					
Current tax	1,546	2,223	2,002	7,217	8,445
Deferred tax	103	(187)	41	(89)	(530)
	1,649	2,036	2,043	7,128	7,915
(VII) Profit for the period (V-VI)	5,160	5,113	5,740	20,091	22,913
(VIII) Other Comprehensive income					
(i) Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefits plans	12	-	84	12	84
(b) Fair value Gain on strategic equity securities	(1,302)	(1,977)	18,175	(3,279)	18,175
(ii) Income tax relating to items that will not be reclassified to profit or loss	324	498	(4,571)	822	(4,571)
Other Comprehensive Income	(966)	(1,479)	13,688	(2,445)	13,688
(IX) Total comprehensive income for the period/year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the period /year]	4,194	3,634	19,428	17,646	36,601
(X) Earnings per equity shares : (Face value Rs 10/- per shares)*					
Basic (in ₹)	3.57	3.54	3.97	13.90	15.86
Diluted (in ₹)	3.57	3.54	3.97	13.90	15.86

*EPS is not annualised for interim periods

Axis Securities Limited
Balance Sheet as at 31 March 2023

Particulars	As at 31 March, 2023	As at 31 March, 2022
	(Audited)	(Audited)
	(₹ in Lakhs)	(₹ in Lakhs)
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	25,573	35,147
(b) Bank balance other than Cash and cash equivalents	82,451	43,209
(c) Securities for trade	3,310	-
(d) Receivables		
Trade receivables	22,902	16,417
(e) Loans	1,49,778	1,14,489
(f) Investments	20,942	24,221
(g) Other financial assets	1,775	25,746
Total Financial Assets	3,06,731	2,59,229
2 Non - Financial Assets		
(a) Current tax assets (net)	1,186	1,181
(b) Property, plant and equipment	4,038	3,267
(c) Right-of-use-asset	4,907	5,376
(d) Capital work-in-progress	-	17
(e) Intangible assets under development	59	42
(f) Other intangible assets	1,586	1,461
(g) Other non-financial assets	1,383	1,452
Total Non- Financials assets	13,159	12,796
Total Assets	3,19,890	2,72,025
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	35,045	28,038
(b) Debt Securities	1,28,280	98,249
(c) Borrowing (other than debt securities)	12,503	-
(d) Lease Liabilities	5,452	5,724
(e) Other financial liabilities	24,511	42,126
Total Financials Liabilities	2,05,791	1,74,137
2 Non - Financial Liabilities		
(a) Current tax liabilities (net)	56	56
(b) Provisions	6,271	6,285
(c) Deferred tax liabilities (net)	2,493	3,404
(d) Other non- financial liabilities	2,803	3,343
Total Non-Financials Liabilities	11,623	13,088
3 EQUITY		
(a) Equity share capital	14,450	14,450
(b) Other equity	88,026	70,350
Total Equity	1,02,476	84,800
Total Liabilities and Equity	3,19,890	2,72,025

Axis Securities Limited
Cash Flow Statement for the year ended 31 March 2023

Particulars	Year ended	Year ended
	31 March, 2023	31 March, 2022
	(₹ in Lakhs)	(₹ in Lakhs)
Cash flow from operating activities		
Profit before tax	27,219	30,828
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation amortization and Impairment expense	2,993	2,314
Profit on sale of investments (fair value through P & L)	(64)	(57)
Net loss on derecognition of property, plant and equipment	98	143
Interest income	(3,708)	(1,956)
Impairment on financial instruments	(187)	1,763
Share based payments to employees	29	88
Interest expense	8,926	3,869
Operating profit before working capital changes	35,306	36,992
Adjustments for changes in working capital		
(Increase) / Decrease in trade receivables	(6,121)	(6,084)
(Increase) / Decrease in loans	(35,466)	(70,470)
(Increase) / Decrease in other financial assets	23,971	(22,753)
(Increase) / Decrease in Securities for trade	(3,310)	-
(Increase) / Decrease in other non Financial assets	69	719
Increase / (Decrease) in trade payables	7,007	8,777
Increase / (Decrease) in other financial liabilities	(17,614)	21,526
Increase / (Decrease) in provision	(2)	1,010
Increase / (Decrease) in other non financial liabilities	(540)	392
Cash (used in) / generated from operations	3,300	(29,891)
Income tax paid (net)	(7,222)	(8,516)
Net cash (used in) / generated from Operating activities (A)	(3,922)	(38,407)
Cash flow from Investing activities		
Investment in bank fixed deposit under lien with exchange	(38,910)	(3,735)
Interest on bank fixed deposit under lien with exchange	3,345	2,097
Purchase of property, plant and equipment	(2,294)	(2,617)
Proceeds from sale of property, plant and equipment	15	14
Increase in Capital work in progress	17	134
Gain on Other Investments	64	57
Purchase of intangible assets incl. intangible under developments	(778)	(617)
Proceeds from sale of Intangible assets	-	7
Net cash (used in) / generated from Investing activities (B)	(38,541)	(4,660)
Cash flow from Financing activity		
Interest paid on borrowings	(8,393)	(3,459)
Interest paid on lease liabilities	(530)	(410)
Payment of lease liabilities	(719)	(505)
Borrowing other than debt securities (net)	12,500	-
Proceeds from issuance of commercial paper	4,57,531	2,72,461
Redemption of commercial paper	(4,27,500)	(2,11,500)
Net cash (used in) / generated from Financing activities (C)	32,889	56,587
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(9,574)	13,520
Cash and cash equivalents at the beginning of the year	35,147	21,627
Cash and cash equivalents at the end of the year	25,573	35,147

Components of cash and cash equivalents		
Cash and Cash Equivalents comprises of :		
Balances with banks:		
– In current accounts	17,070	30,144
– Balance in prepaid cards	-	1
– Fixed deposit with original maturity less than 3 months	8,500	5,000
– Interest accrued on Fixed deposits	3	2
Total Cash and Cash Equivalents	25,573	35,147

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 above financial results have been prepared in the format specified in Division III of Schedule III of Companies Act, 2013 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulation"), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 and in accordance with Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued there under and the other accounting principles generally accepted in India.
- 2) 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 April 14, 2023. The statutory auditors have issued unmodified opinion on the financial results.
- 3) The figures of the quarter ended March 31, 2023, are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 and year-to-date figures up to December 31, 2022, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 4) Pursuant to SEBI circular SEBI Circular No. SEBI/HO/DDHS/CIR/2021/613 dated August 10, 2021 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 year ended March 31, 2023 is attached herewith as annexure 'A'. Details as mentioned in Annexure 'A' have not been subjected to review/audit by statutory auditors.
- 5) 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

GOP KUMAR Digitally signed by GOP
BHASKARAN KUMAR BHASKARAN
Date: 2023.04.14
15:46:30 +05'30'

Gopkumar Bhaskaran
Managing Director & CEO
DIN No: 07223999
Date : 14 April 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 year ended March 31, 2023 is as mentioned below:

a) Key Financial Information

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Debt Equity Ratio ¹	1.39 Times	1.17 Times
Debt Service Coverage Ratio ²	0.24 Times	0.33 Times
Interest Service Coverage Ratio ³	4.24 Times	10.40 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	1,02,476 Lakhs	84,800 Lakhs
Net Profit after tax	20,091 Lakhs	22,913 Lakhs
Earnings Per shares (Basic and Diluted) (Face Value Rs. 10 per share)	Rs. 13.90	Rs. 15.86
Current ratio	1.35 Times	1.37 Times
Long term debt to working capital ratio ⁵	Nil	Nil
Bad debts to account receivable ratio	4.83%	0.53%
Current liability ratio	0.96 Times	0.81 Times
Total debt to total assets ratio	0.45 Times	0.36 Times
Debtors turnover ratio ⁶	0.71 Times	0.90 Times
Inventory turnover ratio	Not applicable	Not applicable
Operating margin (%) ⁷	37.91%	46.71%
Net profit margin (%) ⁸	27.98%	34.72%

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