

AXIS SECURITIES LIMITED
PORTFOLIO MANAGEMENT SERVICE
DISCLOSURE DOCUMENT OF PORTFOLIO MANAGER
SEBI REGISTRATION NO. INP000000654

Principal Officer:
Mr. Vamsi Krishna UV

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This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 2020. The purpose of this Disclosure Document is to provide essential information about the Portfolio Management Service (PMS) in a manner to assist and enable the clients in making an informed decision for engaging us as a Portfolio Manager. This Disclosure Document contains the necessary information about the Portfolio Manager required by a client before investing. The client is advised to retain this Disclosure Document for future reference. All the intermediaries involved in the Offering are registered with SEBI as on the date of the Disclosure Document.

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I Disclaimer

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulation 2020 and filed with Securities and Exchange Board of India. This document has neither been approved nor disapproved by the Securities and Exchange Board of India nor has the Securities and Exchange Board of India certified the accuracy or adequacy of the contents of the document. This document is for information purposes only and is subject to change without prior notice.

II Definitions

- (a) “**Act**” means the Securities and Exchange Board of India Act, 2020.
- (b) “**Agreement**” means Portfolio Management Service Agreement (PMS) entered into between the Parties and shall include all modifications, alterations, additions or deletions thereto made in writing upon mutual consent of parties thereto.
- (c) “**Certificate**” means the Certificate of Registration issued to the Portfolio Manager by SEBI to enable the Portfolio Manager to offer the PMS Services under the PMS Agreement.
- (d) “**Client**” means the person who pursuant to the PMS account opening Form with the Portfolio Manager, intends to avail of PMS service offered by the Portfolio Manager.
- (e) “**Compliance Officer**” means the officer of the Portfolio Manager coordinating with the regulatory authorities like SEBI, etc. in various matters pertaining to the portfolio management and ensures that the Portfolio Manager complies with all rules, regulations and guidelines etc.
- (f) “**Depository**” means the Depository as defined in the Depositories Act, 1996 (22 of 1996) and mentioned in the Agreement.
- (g) “**Investor Service Centers**” or “**ISCs**” means the designated branches of Axis Securities Limited (ASL) or such centers /offices / Franchisees as may be designated by the Portfolio Manager to be the Investor Service Centers or ISCs from time to time.
- (h) “**NAV**” or “**Net Asset Value**” means the net asset value of the Portfolio which is the sum of (a) the value of the Securities in Portfolio of the Client and (b) the cash balance to the credit of the Client less (c) amounts payable by the Client.
- (i) “**Non-Discretionary Portfolio Management Service**” (**NDPMS**) means the offering wherein the Portfolio Manager who under the PMS Agreement offers PMS service and does not exercise any degree of discretion as to the investments or management of portfolio of securities of the funds of the Client and shall solely act on instructions given by the Client. Under this service the Portfolio Manager will provide the Client a comprehensive advisory package designed to help the Client in his investment decisions. Under this service, the Client will handle his funds and take his own investment decisions based on the Portfolio Managers recommendations and proposals in stocks, mutual funds, fixed income instruments, ETF’s and other securities.

(j) “**Discretionary Portfolio Management Service (DPMS)**” means the offering wherein Portfolio Manager who under the PMS Agreement offers DPMS service and exercise its discretion as to the investments or management of portfolio of securities and/or the funds of the Client without any instructions given by the Client.

(k) “**Party**” or “**Parties**” refers to the Client and/or the Portfolio Manager as the case may be or as the context may require.

(l) “**Portfolio**” means the total holding of Securities and cash balances belonging to the client.

(m) “**Portfolio Manager**” means ASL acting through its personnel specifically designated for PMS offering.

(n) “**Person**” includes an individual, partnership firm, LLP, company (as defined under the Companies Act, 1956) a body corporate (as defined under the Companies Act, 1956), a co-operative society and body or organization of individual or persons whether incorporated or not.

(o) “**Principal Officer**” means an employee of the portfolio manager who is responsible for:-
(A) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be (B) all other operations of the portfolio manager.

(p) “**PM Regulations**” means the Securities and Exchange Board of India (Portfolio Manager) Regulations, 2020 as amended from time to time.

(q) “**RBI**” means the Reserve Bank Of India established under the Reserve Bank of India Act, 1934 (2 of 1934).

(r) “**Offering**” means the ‘PMS’ offered by the Portfolio Manager under the Agreement.

(s) “**SEBI**” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 2020.

(t) “**Securities**” means those as defined in sector 2(h) of the Securities Contract Regulation Act 1956.

(u) “**Axis Securities Ltd.**” means Axis Securities Limited, a company incorporated and registered under the Companies Act, 1956 and having its registered office at Axis House, 8th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai-400025 and Corporate office at Unit No. 1, Phoenix Market City, 2nd floor, 15, LBS Road, Near Kamani Junction, Kurla (West), Mumbai-400070.

Such of those expressions as are used and not defined in the Agreement, but defined in the SEBI Act, 2020 or PM Regulations shall carry the same meanings herein as are assigned to them therein respectively.

Words importing singular shall include the plural and all reference to masculine gender shall include the feminine gender and vice versa.

III History, background and present Business of the Portfolio Manager

Axis Securities Limited (ASL) is a wholly owned subsidiary company of Axis Bank Ltd. The company was originally incorporated as ENAM Securities Direct Private Limited on 21st July 2006 as wholly owned subsidiary of ENAM Securities Private Limited. The company is Member of National Stock Exchange of India Limited (NSE), BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), Multi Commodity Exchange of India Ltd, National Commodities and Derivatives Exchange Limited and is a Depository Participant of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

Under a Scheme of Arrangement of Demerger (“Scheme of Arrangement”) approved by the Hon’ble High Court of Judicature at Bombay, the existing sales and securities businesses of Axis Capital Limited (*formerly Axis Securities and Sales Limited*) got demerged into ASL w.e.f 25-05-2013.

ASL is presently engaged in providing stock/commodity broking services on BSE, NSE, MCX and NCDEX. The Company has a wide range of products catered to meet the needs of the customer. Customers can open a single account to invest in Equities, Mutual Funds, SIPs, IPOs, Derivatives, Commodities, Bonds, NCDs, ETFs and Company Fixed Deposits. The company is also offering Depository participant services and is registered with CDSL and NSDL. The company is also a Composite Corporate agent of Life & General insurance for Max Life and Tata AIG respectively. The Portfolio Management Business of Axis Bank Ltd. was transferred to Axis Securities Limited on 17-08-17. ASL also provides Investment Advisory services.

The main business of ASL as contained in the object clause of the memorandum is as under:-

1. To acquire the membership, dealership, permits of any recognized Stock Exchange, Trade Association, Commodity Exchange, Clearing House, Society, Company, Management Association, Depository Trust Company, etc. in India or elsewhere to carry on business as broker or trading by conventional, internet or any other medium and buy, sell, deal, borrow, lend in any Government, State, Dominion, Sovereign Body, Commission, Statutory Corporations, Public Body or Authority whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, in shares, stocks, debt instruments, debentures, debenture-stocks, units of Mutual Funds, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital instruments, obligations and securities, issued or guaranteed by any corporate, body, any person, firm, society or association, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and / or any other services either directly or through intermediaries and/or to act as clearing member of any stock exchange(s), sub-broker, agent, dealer, market-maker, depository participant, trader or in any other capacity.

2. To establish and carry on directly or indirectly, the business of providing services of sourcing, marketing, promoting, publicizing, marketing and distributing credit cards, debit cards, currency cards, or any cards in the nature of such credit, debit or currency cards, being third party products, directly or indirectly through any channels or means; sourcing, marketing, promoting, publishing, marketing loans and advances, credit and loan products including personal loans, housing loans, vehicle loans, loans for furniture and fixtures, loans against securities, education

loans, travel loans, and other retail loans and financial products, insurance products (including life, non-life, general insurance and any other insurance), mutual funds schemes , all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trusts, pension funds, charities, association, registered societies, mutual funds, and other persons or bodies of persons whether incorporated or not, financial institutions, Banks and other companies and to undertake the activities of providing services relating to price support services, door-to-door agents for the collections received or payment of money, providing contract staffing and resource management services and to act as agent for or render the services to the clients and to undertake market research, market survey, provide telemarketing services, services relating to marketing management services and all kinds of financial advisory services, investment supervisory services, undertaking publicity, marketing and sales campaigns, advertisements, issuing promotional materials/brochures etc. relating to third party products and services marketed or to be marketed by the company and undertaking all types of advertisement and promotional activities for the said third party products and services marketed or to be marketed by the Company and to generally undertake marketing, promotions, sales, distribution, sourcing, publicity and any or all of the aforesaid functions and services relating to any financial products or services offered by the clients of the Company, to subscribe to buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure underwrite, guarantee, give comfort for pledge, hypothecate, charge, mortgage, procure or mobilize funds, deposits or subscriptions, bid for or arrange placement of or otherwise engage in India or abroad in trade and investment instruments of all kinds and types, whether securities or not, including shares, stocks, securities, debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial paper, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, currencies, drafts, traveler's cheques, factoring of debt, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by companies, governments corporations, banks, co-operative firms, organisations, mutual benefit societies in India or abroad and trade in either as principal, broker, agent, dealer, stockist, trader, consignee or any other capacity.

3. To carry on the business of managing assets and risks for any person portfolio and to inter alia act as managers, advisors, consultants, administrators, attorneys, agents or representatives or nominees for any Insurance company, mutual funds, unit trusts, investment funds, venture capital funds, private properties, equity funds, institutional investors, or any other pool or portfolio of securities, properties, assets or investments of any kind including any pension, gratuity fund, welfare fund, provident fund or superannuation fund set up, formed or established in India or any other country by the company or any other person, or by any government, state, local authority, association, institution (whether incorporated or not), or any other organization or agency.

Apart from Portfolio Manager registration, ASL is also registered with SEBI and holds certificate of registration for carrying out the following activities:

- Trading Member and Clearing Member (Stock broker)
- Trading Member and Clearing Member (Commodity broker)
- Depository Participant (CDSL & NSDL)
- Investment Advisor
- Research Analyst

It is also a

- Mutual Fund distributor registered with AMFI
- Composite Corporate Insurance agent (Life & General) - registered with IRDA

Given below is a brief summary of the financial performance of ASL for the last 5 years: (Rs. In crores)

| Year | Gross Revenue | Expenses | Gross Investment | Net Profit Revenue | Paid up Capital | Reserves | Dividend |
|-----------|---------------|----------|------------------|--------------------|-----------------|----------|----------|
| | | | | | | | |
| 2015-16 | 561.89 | 507.02 | - | 35.68 | 144.50 | 52.65 | 14.45 |
| 2016-17 | 756.13 | 677.50 | - | 51.50 | 144.50 | 82.84 | 17.70 |
| 2017-18 | 208.76 | 146.61 | - | 60.67 | 144.50 | 111.04 | 19.51 |
| 2018-19 | 198.44 | 152.93 | - | 74.51 | 144.50 | 185.47 | - |
| 2019-2020 | 209.18 | 134.29 | - | 27.34 | 144.50 | 171.32 | - |

IV Promoters of ASL

1. Axis Bank Ltd. is currently holding 99.99% of the Equity Share capital of the company.

V Board of Directors of ASL is composed as follows (as on August 01, 2020)

| Name of Director | Experience |
|--|--|
| Mr. B. Gopkumar Managing Director & CEO | Mr. Gopkumar is MBA from Mangalore University. He was Executive Director & CEO of Broking & Distribution Business at Reliance Capital. Prior to this, he was the Executive Vice President & Business Head – Broking for Kotak Securities Limited. With over 15 years in Kotak Mahindra Group, Mr. Gopkumar has served across various group businesses; where he was instrumental in setting up financial planning group & strengthening brokerage services. He has over 20 years of experience and has also worked with companies like Hinditron Informatics & Crompton Greaves in the areas of in sales, marketing and relationship management. |
| Mr. Anand Shaha, Whole time director | Mr. Anand Shaha is a qualified Chartered Accountant and holds a Bachelor's degree in Commerce. He is having over 26 years of experience in the areas of Risk & Compliance in Stock broking industry. Previously, he had worked with NSE, ICICI Securities and Reliance Securities. |
| Mr. Busi Babu Rao, Director | Mr. Babu Rao has more than 28 years of experience in the area of Finance, Capital Markets and Fund Management at UTI Mutual Fund. During his career with UTI, he handled various assignments and extensively worked in the areas of Project Finance, Investment |

| | |
|-----------------------------|---|
| | <p>Management, Offshore Funds, Venture Capital and Private Equity Funds, resolution of stressed assets and investor relations.</p> <p>Prior to joining UTI in the year 1989, he worked with Larsen & Toubro Ltd. for six years. He holds Bachelor degree in Engineering and received MBA from Indian Institute of Management, Ahmedabad.</p> |
| Mr. Pralay Mondal, Director | <p>Mr. Pralay is currently Executive Director, Retail Banking at Axis Bank Limited with over 30 years of management experience. Before joining Axis Bank, he was Senior Group President - Retail & Business Banking at YES Bank Limited. He was also overseeing the Rural Banking Assets, PSL Portfolio, Micro Finance business & SME/Business Banking. He is a Bachelor of Technology with specialization in Electrical Engineering and Management post graduate.</p> |
| Ms. Bhumika Batra, Director | <p>Ms. Batra is a Partner of Crawford Bayley & Co., one of the oldest law firms of India. She possesses over 15 years of experience in regulatory and legal practice, specializing in corporate law. She is a law graduate and a fellow member of the Institute of Company Secretaries of India. She is a recipient of scholarship from London School of Economics. She sits as an Independent Director on the boards of various companies.</p> |
| Mr. Ravi Narayanan | <p>Mr. Narayanan is Head of Branch Banking of Axis Bank, with a total work experience of 26 years in the industry. He joined the Bank in February 2019, after serving HDFC Bank for two decades as Head – Branch Banking (West Division) and Head - Foreign Retail Trade. Prior to HDFC Bank, he was with Bank of America. His responsibilities included Relationship Manager for high net worth customers, Direct sales and Liabilities. Mr. Narayanan is a Bachelor of Technology Honours from IIT Varanasi and Post Graduate in Management from FMS Delhi.</p> |
| Mr. Naveen Tahilyani | <p>Mr. Tahilyani is the Group Executive – Head Banking Operations and Transformation at Axis Bank since January, 2020. He is having 22 years of experience in financial services in both operating and consulting roles. Before joining Axis Bank, he was the CEO of Group Partnership Distribution at AIA. Prior to that, he served as the MD & CEO of Tata AIA Life Insurance in India. Under his leadership, he was responsible for creating a distinctive customer experience using data and digital, and streamlining and improving distribution and back end operations.</p> <p>Mr. Tahilyani holds an MBA from Indian Institute of Management, Ahmedabad and a Bachelor of Technology from Indian Institute of Technology, Chennai</p> |

VI Group Companies and their details (as on August 01, 2020)

| Sr. No | Subsidiary/Associate Step down Subsidiary | Shareholding | Nature of Business |
|--------|--|--------------|--------------------|
| | | | |

| | | | | |
|---|---|------|-------------------|--|
| I | Group Companies: | | | |
| | i. Axis Capital Ltd. | 100% | held by Axis Bank | Investment Banking and Institutional Broking |
| | ii. Axis Private Equity Ltd. | 100% | held by Axis Bank | Managing Investments, venture capital funds and off shore funds |
| | iii. Axis Trustee Services Ltd. | 100% | held by Axis Bank | Trusteeship Services |
| | iv. Axis Asset Management Company Ltd. | 75% | held by Axis Bank | Asset Management for Axis Mutual Fund |
| | v. Axis Mutual Fund Trustee Ltd. | 75% | held by Axis Bank | Trustee company for Axis Mutual Fund |
| | vi. Axis Finance Ltd. | 100% | held by Axis Bank | Non-Banking Finance Company (NBFC) |
| | vii. A. Treds Ltd. | 67% | held by Axis Bank | Facilitate financing of Invoices / Bills of Exchange |
| | viii Axis Bank UK Ltd. | 100% | held by Axis Bank | Banking Company |
| | ix. Freecharge Payment Technologies Private Limited | 100% | held by Axis Bank | Operating payment system for semi closed prepaid payment instrument |
| | x. Accelyst Solutions Private Limited | 100% | held by Axis Bank | Providing and facilitating online recharge/bill payment/coupon services, marketing platform for third parties, distribution of mutual funds and insurance. |

ASL is a 99.99% subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company.

VII Penalties and Pending Proceedings, other cases.

There are no major instances of non-compliance by ASL, penalties and strictures imposed by Stock Exchanges and SEBI/other statutory authorities, on any matter related to Capital markets & DP operations during the last three years (as on 01-08-2020) other than the following:

SEBI had conducted investigation in the matter of insider trading by certain entities in the scrip of M/s Shanthi Gears Ltd. for the period March 23, 2012 to December 31, 2012. In this regard, SEBI had issued Administrative warning vide their letter dated 30-07-18. These transactions were executed when the stock broking business was in the name of ENAM Securities Direct

Private Limited. SEBI had conducted joint inspection with NSE, BSE & CDSL in the month of September 18. A letter of Advisory & warning was issued by BSE in this regard.

A regular inspection was conducted by Insurance Regulatory and Development Authority of India (IRDA) in March 2019. The final report is awaited from IRDA.

VIII Services Offered

(A) Non-Discretionary Portfolio Management Service (NDPMS)

Under this service, the Portfolio Manager will provide the client a comprehensive advisory package. Non Discretionary Portfolio Management Services, is designed to help the client in his/her investment decisions. Under, this service, the client will handle his/her own funds and take his/her own decisions based on the Portfolio Manager's research reports and/or proposals. Such research reports/proposals will provide independent recommendations, corporate details and reasons to invest in stocks, fixed income instruments eg. Bonds, Commercial papers, Certificate of Deposits, Government security (T-Bills), SDL, GOI SPL Bonds, etc, structured products, private equity, mutual funds and/or "Securities" as defined in section 2(h) of the Securities Contract Regulation Act 1956.

Moreover, the Portfolio Manager will help the client to reconstruct his/her portfolio as per client's investment objectives.

The following are the features of the NDPMS offering:

- Investment decision - the Client will have total discretion to handle his/her portfolio.
- Size of portfolio - The Client shall commence with a minimum corpus of Rs. 50,00,000 (Rupees Fifty lacs) (*Portfolio shall consist of Saving account Balances, investments in stocks, fixed income instruments, structured products, private equity and mutual funds).
- Tenure of the Service - Minimum duration of one year (the PMS agreement will be auto rolled over at the end of the year unless the client informs otherwise).
- Bank and Demat account - the portfolio manager will help the client to open a bank account in the client's name with Axis Bank and a demat account in the client's name with Axis Bank or ASL. The client's trading account can be opened with ASL, if opted by the client.
- The portfolio manager will act only on Investor's instructions.
- The portfolio manager will also monitor the portfolio and make suggestions regarding investments.
- ASL provides an option to clients to be on-boarded directly with it, without intermediation of persons engaged in distribution services.

COMMISSION PAID TO DISTRIBUTORS:

| Name of Distributor | Commission Amount (Rs.) | Period |
|---------------------|-------------------------|------------------------|
| Axis Bank Ltd. | 97,591/- | Jan 2020 to March 2020 |

Change in the Principal Officer – There is change in the Principal officer. Mr. Vamsi Krishna UV is appointed as Principal officer in the place of Mr. Naveen Kulkarni.

(B) Discretionary Portfolio Management Services (DPMS)

Under this service, the Client appoints the Portfolio Manager for the purpose of investing the Capital of the Client and managing the Client's portfolio, at Portfolio Manager discretion. The Portfolio Manager shall at its discretion invest Capital of the Client in terms of the PMS Agreement.

The following are the features of the DPMS service:

1. Investment decision - The Portfolio Manager will have total discretion to handle client's portfolio.
2. Size of Portfolio - The Client shall commence with a minimum corpus of Rs. 50,00,000 (Rupees Fifty Lakhs) and shall endeavour to continue to maintain the corpus of minimum Rs.50,00,000 (Rupees Fifty Lakhs) during the contractual period.
3. Tenure of Offering - Minimum duration will be of 1 year (the PMS agreement will be auto rolled over unless the client informs otherwise)
4. Bank and Demat account - The Portfolio Manager will help the Client to open a bank account in the Client's name with Axis bank and a demat account in the client's name with Axis Bank or ASL. The client's trading account can be opened with ASL.
5. The Portfolio Manager will invest in client's account at its discretion.
6. The Portfolio Manager will also monitor the portfolio.

(C) Support Services

- The portfolio manager would make suitable arrangements for the PMS clients to take care of their banking and custody needs concerning PMS.
- The portfolio manager also offers administrative and other complementary services arising out of and/or incidental to investments made under the PMS offering.

(D) Investment Objectives

The primary objectives of the PMS offering are to generate returns and capital appreciation over a period of time from portfolio of stocks, fixed income instruments, structured products, private equity, mutual funds and/or "Securities" as defined in sector 2(h) of the Securities Contract Regulation Act 1956. Depending on the risk profile of the client, the portfolio manager will recommend the investment pattern to be adopted by the client. However, under NDPMS offering, the final decision on the investment and execution of the recommendations given will be entirely that of the Client. The investment pattern as suggested by the Portfolio Manager is recommendatory in nature and the acceptance of the same is not obligatory on the client. The client has to judge the same based on various other factors, which includes but not limited to risks, returns (not guaranteed), personal objectives etc. on which the Portfolio Manager has no discretion or control.

(E) Investment Pattern

Consistent with the objective of the offering and subject to regulations, the Portfolio manager will recommend the client to make investment in any of the stocks, fixed income instruments, structured products, private equity, mutual funds and/or "Securities" as defined in sector 2(h) of the Securities Contract Regulation Act 1956.

The securities could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPO's), secondary market operations, private placements, rights offers or negotiated deals, including transactions for the purpose of hedging and portfolio rebalancing.

Long term outperformance can be achieved by consistently investing in growth oriented quality stocks at a reasonable price. Our proprietary stock selection framework, largely emphasizes on "Qualitative Growth and Sustainability".

Our stock selection process comprises three important stages. These are -

- a. Idea Generation- Our approach combines value identification based on fundamental bottom-up analysis with a top down macro overlay.
- b. Idea Screening - Stock Idea must pass through our screeners which are broadly classified across "Forensic Accounting analysis framework" and "Qualitative advancement".
- c. Decision Making - this involves a thorough assessment of the past financial performance. We believe strong historical performance of companies reflect their ability to deliver in the future. Also, it provides insight into the past valuation enjoyed by the stock. We perform in-depth valuation analysis to arrive at the intrinsic value of the company that assists in our decision making process. In our quest for long term outperformance, we choose to avoid highly cyclical and commodity businesses, while chasing growth.

We endeavor to have around 20 stocks in our portfolio to strike a balance between diversification and sizeable allocation to best performing stocks. Subject to regulations, the asset allocation pattern may change from time to time, keeping in view the market conditions, opportunities and political & economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio manager, the intention being at all time to seek to protect the interests of the client. Such changes in the investment pattern shall be for short terms and defensive considerations.

The Portfolio Managers while considering investing in derivatives shall take complete details pertaining to the manner and terms of usage of derivatives products, including quantum of exposure to derivatives, type of derivative instruments, purpose of using derivatives, types of derivative positions and the exposure thereof, terms of valuing and liquidating derivatives, in a non-discretionary service, the final decision on the investment will be entirely that of the Client.

The investment strategy is aimed at generating returns over the medium to longer term through investments in securities and across market capitalization. We would be benchmarking our performance versus that BSE200 Index, which we believe has a good representation of stocks across market capitalization.

Market risk: Market risk also called systematic risk and is based on the day-to-day price fluctuation in the market. In the short term, market risks are higher compared to the long term. The second type of stock risk comes from the business risk. This risk can be escalated if the business is not doing well.

(F) Terms and Conditions in relation to the Fixed Income Instrument in the Indian Market

1. Scope of Services:

Investment in fixed income instruments shall be restricted and based solely upon the instructions of the Client and ASL advice shall not under any circumstance be construed as tax, investment, professional or legal advice. In the event that the Client seeks to invest its/his/her funds on the basis of the advice or representations made by ASL or its employees, the Client must do so at its/his/her sole risk and must consult with its/his/her own legal, business, professional and tax advisors to determine the appropriateness and consequences of such an investment and arrive at an independent evaluation of the same.

Notwithstanding anything stated herein, ASL or any employee of ASL shall not have any liability for any such advice or representation made as it will be the Client's responsibility to make an independent evaluation before purchasing a fixed income instrument. In the event that the Client seeks to invest its funds solely on the basis of the advice or representation provided by ASL or its employees, the Client shall be doing so at its/his/her own risk. In such an event ASL shall not, in any manner, be liable for the consequences arising out of such investments made by the Client. ASL accepts no liability whatsoever for any loss or damage of any kind directly or indirectly arising out of the fixed income instrument investments made by the Client. The role of ASL shall only be limited to providing information to the Client in relation to the investment instrument, and providing execution services, if opted for, in relation thereto (only if and to the extent specifically requested by the Client, and subject to execution of such documentation as may be deemed appropriate by ASL in this regard).

2. Role of ASL:

ASL shall be under no obligation to assess the prudence of any instructions given by the Client or to give any particular advice in relation thereto and would be justified in solely acting on the Client's instructions irrespective of their prudence or otherwise.

ASL shall perform its duties on the best effort basis to execute (if opted for) the Client's order at the price or quote provided to the Client. However, there may be instances wherein the order might get executed at a price or quote, which is different from the price or quote provided to the Client due to volatile market conditions. The order may also get delayed on account of non-receipt of the Order booking form/email or receipt of the Order booking form/email after the cut off time or due to any discrepancies in the Order booking form/email and due to other reasons which in opinion of ASL restricts ASL from executing the Client's order.

The Client understands that the investment instruments purchased are subject to various risks, including possible loss of principal amount invested. ASL does not provide any commitment or guarantees liquidity to the investment/fixed income instrument purchased by the Client.

IX General Risk Factors

1. Investments in securities are subject to market risks and Portfolio manager will not in any manner whatsoever assure or guarantee that the objectives of the PMS will be achieved.
2. The portfolio manager will not be responsible or liable for any loss resulting from the operation of the PMS account.
3. The Portfolio may be affected by settlement periods and transfer procedures.
4. The low trading volumes, if any, in the Securities of companies in which the PMS invests inherently restrict the liquidity of the investments.

5. Clients under the PMS are not being offered any guaranteed/assured returns.
6. PMS is subject to risk arising from the investment objective, investment strategy and asset allocation.
7. PMS is subject to risk arising out of non-diversification.
8. The value of the Portfolio may increase or decrease depending upon various market forces affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scripts accounting for a large proportion of trading volume. Consequently, the Portfolio Manager makes no assurance of any guaranteed returns on the Portfolio.
9. Past performance of the Portfolio Manager does not guarantee the future performance of the same.
10. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of securities. Transfer risk may arise due to the process involved in registering the securities, physical and demat, in client's name, while price risk may arise on account of unavailability of securities price from Stock Exchanges during the day and at the close of the day.
11. Equity and Equity related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments.
12. Macro-economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political issues, changes to government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio value.
13. Liquidity Risks: Liquidity of investments in equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular Security does not have a market at the time of sale, then the investments may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a Stock Exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the Stock Exchange. Money market Securities, while are fairly liquid, lack a well-developed retail secondary market, which may restrict the selling ability of such Securities thereby resulting in a loss to the Portfolio until such Securities are finally sold.
14. Credit Risk: Debt Securities are subject to the risk of the issuer's inability to meet the principal and interest payment on the obligations and may also be subject to the price volatility due to such factors such as interest rate sensitivity, market perception, or the credit worthiness of the issuer and general market risks.
15. Interest Rate Risk: Clients intending to avail securities linked to interest are aware that such securities value is associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investment will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to

the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.

16. Acts of state, or sovereign action, acts of nature, acts of war, civil disturbance.

17. The Client stands the risk of total loss of value of an asset, which forms parts of the Portfolio. The Client also bears the risk of its recovery through legal process, which could be expensive. Some of the risks by way of illustration include default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise or disputes raised by third parties.

18. Derivative risks: The derivatives, except Exchange traded derivatives, will entail a counter party risk to the extent of amount that can become due from the party. The cost of the hedge can be higher than adverse impact of market movements. An exposure to derivatives can also limit the profits from a genuine investment transaction. Efficiency of a derivatives market depends on the developments of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.

19. Non-Diversification risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments.

20. Mutual Fund Risk: This risk arises from investing in units of mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. In addition, events like change in Fund Manager of the Scheme, take over and merger of mutual funds, foreclosure of Schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

21. Price/Volatility Risk: Equity Markets can show large fluctuations in price, even in short periods of time. Investors should be aware of this and only invest in equity or equity related products if their investment horizon is long enough to support these important price movements.

22. ASL is having previous experience of 6 years in offering Portfolio Manager services.

Additional Risks (Fixed Income instruments)

In addition to, the generality of the risks set forth above, investment in fixed income instruments are subject to the following risks (which are illustrative and not exhaustive in nature):

Interest Rate Risk: It refers to the changes in market rates of interest, which have a direct effect on bond investments. Prices are inversely related to interest rates, so if interest rates increase, the price of the bond may decrease.

Credit Risk: For an investor there are two types of Credit Risks:

Default Risk: It refers to the risk that arises when the issuer of the fixed income instrument defaults or unable to make timely payments of principal and/or interest. In case the issuer defaults, the Client may fail to receive the principal amount also.

Downgrade Risk: It is the risk that a fixed income instrument is reclassified as a riskier security by credit rating agency. When an issue is re-categorized or its credit rating is changed, the yield may adjust to reflect the new rating.

Illiquidity Risk: The corporate debt market is relatively illiquid in comparison to the government securities market. Therefore, there could be difficulties in exiting from corporate bonds in times of uncertainty. Further, liquidity may occur only in specific lot sizes. Trading in specified debt securities on the market may be halted because of market conditions, or for reasons that in the view of the market regulators mandate the same. There can be no assurance that the requirements of applicable law to maintain the listing of specified debt securities will continue to be met or will remain unchanged.

Selection Risk: The risk that an investor chooses a security that underperforms the market for reasons that cannot be anticipated.

Inflation Risk: The interest rate on the fixed income instruments is set when it is issued, as is the principal that will be returned at maturity. If there is significant inflation over the time the client holds the fixed income instruments, the real value (what client can purchase with the income) of the investment will suffer.

23. General Risk Factors – Disclaimer: The investment pattern as advised by the Portfolio manager should not be construed as an offer or recommendation or solicitation of any offer to buy or sell or hold any security or other financial instruments. The material/information contained in the advice is not to be construed as tax, investment professional or legal advice. In the event that a client seeks to invest his/her funds on the basis of the advice of the Portfolio Manager, the client must do so at his/her sole risk and must consult with his/her own legal, business, professional and tax advisors to determine the appropriateness and the consequences of such investment and arrive at an independent evaluation of the same. ASL shall not, in any manner, be liable for the consequences arising out of such investment made by the client. The Client assumes the entire risk of any use made of the statement/material/information provided by the Portfolio manager. ASL and its Employees/Agents are not in any way representing as to having any interest in the advice provided and to the truth, and/or completeness, and/or accuracy of any information contained therein and the same is subject to change without notice or intimation and is intended only for the person or entity to which it is addressed to and may contain confidential and/or privileged material and is not for any type of circulation. The PMS advice document may not (directly or indirectly) be reproduced, further distributed to any person or published, in whole or in part, for any purpose whatsoever. The investment patterns as advised may not be suitable for all investors. Clients/Investors churning their portfolio based on this Portfolio Manager advice shall be doing so entirely at his/her risk and ASL and its Employees/Agents shall not be liable for the same. ASL informs there is no conflict of interest related to services offered by group companies/associates of ASL. There is no conflict of interest in the transactions placed by the employees of ASL (who are directly involved in execution/investment operations) with the transactions in any of the client's portfolio. ASL does not make investments in associates/group companies.

X. Client Representation (Axis Bank Ltd. (Transferor Portfolio Manager))

A)

| Category of Clients | No. of Clients | Funds Managed Rs. (cr.) | Non-Discretionary (if available) |
|---------------------|----------------|-------------------------|----------------------------------|
| | | | |

| | | | |
|--|-----|--------|-------------------|
| Associates / group companies | NA | NA | NA |
| Others (of Axis Bank before transfer of its Portfolio Manager business to ASL) | | | |
| 2009 | 672 | 204.00 | Non-Discretionary |
| 2010 | 654 | 267.06 | Non-Discretionary |
| 2011 | 624 | 253.16 | Non-Discretionary |
| 2012 | 400 | 224.95 | Non-Discretionary |
| 2013 | 311 | 225.17 | Non-Discretionary |
| 2014 | 313 | 252.28 | Non-Discretionary |
| 2015 | 343 | 350.00 | Non-Discretionary |
| 2016 | 232 | 306.00 | Non-Discretionary |
| 2017 | 226 | 285.00 | Non-Discretionary |
| ASL (after transfer of Portfolio Manager business to ASL) | | | |
| 2018 | 113 | 94.85 | Non-Discretionary |
| 2019 | 217 | 120.25 | Non-Discretionary |
| 2020 | 185 | 76.61 | Non-Discretionary |

B) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Refer Annexure 1

XI. Fees and expenses

Fees structure:- Option for the client. Plan A and Plan B

The fees payable by the client for NDPMS shall be structured as per the following limits :

Plan A

| | |
|--------------------------------|--|
| Account opening | At present no fee |
| Equity charges to stock broker | 0.50%, inclusive of brokerage, excluding GST and other Statutory taxes/levies. |
| Management Fees | 2% p.a. of the Equity Portfolio with the Portfolio Manager calculated on daily weighted average method for "Management Fees", payable quarterly. |
| Exit Load | 1st year - 3% on corpus out value/withdrawals 2nd year - 2% on corpus out value/withdrawals 3rd year - 1% on corpus out value/withdrawals |
| Stamp duty and other levies | At Actuals |
| Demat charges | Applicable as per respective Depository Participant schedule of charges |
| GST and other Statutory taxes | As applicable from time to time for the service provided. |

Plan B (For Select Customers)

| | |
|--------------------------------|---|
| Account opening | At present no fee |
| Equity charges to stock broker | 0.10% on Delivery, inclusive of brokerage, excluding GST and other Statutory taxes. |
| Performance related Fee | A. Upto 10 % return on Portfolio (Hurdle rate) - No fee B. 10%-12% return on Portfolio–Fee will be 100% of the returns on the Portfolio above 10% p.a. upto 12% p.a. C. Above 12% return on Portfolio –(i) Fee will be 5%,for return above 12%p.a and (ii) fee as per slab B. |
| Stamp duty and other levies | At Actuals |
| Demat charges | Applicable as per Depository Participant schedule of charges |
| GST and other Statutory taxes | As applicable from time to time for the service provided. |

Note for Plan B: Any exit or closure of account before 1 year will attract 1% exit fee, which is otherwise payable and is currently waived for select clients.

Illustration of Plan B

| | Amount in Rs. |
|---|----------------------|
| Portfolio (Fund + shares transferred) | 1,00,00,000 |
| Less: Upfront Fee | 0 |
| Less: Management Fee | 0 |
| Assets Under Management | 1,00,00,000 |
| Add: Profits on investment during the year (e.g. at 15%) | 1,500,000 |
| Gross Value of AUM | 1,15,00,000 |
| Less: Brokerage/other charges (as applicable for each transaction executed) | 1,000 |
| Less: Management Fees (if any) | 0 |

| | |
|-------------------------|--------------------|
| Less: Performance fee | 2,15,000 |
| Net Value of AUM | 1,12,84,000 |
| Gain % | 12.84% |

| Calculation of Performance Fees (Annualized) | | | |
|---|----------------------|-----------------------|--------------------------|
| Nature of Fees | Amount in Rs. | Fee Chargeable | Fee Amount in Rs. |
| A. Profit for the year | 15,00,000 | NA | |
| B. Minimum profit level (Hurdle Rate@10% on AUM) | 10,00,000 | 0% | 0 |
| Return 10%-12% | 2,00,000 | 100% | 2,00,000 |
| Return Above 12% | 3,00,000 | 5% | 15,000 |
| C. Amount on which Performance Fee to be calculated (A) - (B) | 5,00,000 | - | 2,15,000 |

Note: Fee will be charged Annually. Above illustration is on annualized return.

XII. Taxation Implications and Benefits for Clients

It may be noted that the information given hereinafter is only for general information purposes and is based on the advice received by the Portfolio Manager regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme/option will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the above, and since the individual nature of tax consequence may differ in individual case on its merit and facts, each Investor is advised to consult his/her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in the PMS Scheme/option, as an investor.

(a) General

In view of the individual nature of tax consequences, each client is advised to consult his or her tax advisor with respect to the specific consequences to him/her of participation in any of the schemes. The following provisions are as per the existing Income Tax Act, 1961 ("the Act").

The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the clients' tax obligations.

b) Tax deduction at source

If any tax is required to be withheld on account of any present or future legislation, the Portfolio Manager will be obliged to act in accordance with the regulatory requirement in this regard.

c) Advance tax installment obligations

It will be the responsibility of the Client to meet the advance tax obligation installments payable on or before the due dates under the Income tax Act, 1961.

Long-term Capital Gains

Long-term capital gains tax on gains arising from the transfer of listed equity shares exceeding Rs 1 Lakh will be taxed at 10 percent, without allowing any indexation benefit. Also where the sale is through the Stock Exchange, the sale transaction is subject to securities transaction tax (STT). From financial year 2018-19 relevant to Assessment Year 2019-20, this concessional rate of 10% will be applicable to such long term capital gains, if i) in a case where long term capital asset is in the nature of an equity share in a company, STT has been paid on both acquisition and transfer of such capital asset; and ii) in a case where long term capital asset is in the nature of a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

Short term Capital Gains

Under the provisions of section 111A tax on short-term capital gains, in the case of equity shares in a company or units of an equity oriented fund on which Securities Transaction Tax (STT) has been paid, is levied at the rate of 15%. With effect from Assessment Year 2017-18, benefit of concessional tax rate of 15% shall be available even where STT is not paid, provided that

- transaction is undertaken on a recognised stock exchange located in any International Financial Service Centre, and
- consideration is paid or payable in foreign currency
- Surcharge and Education cess would be charged as applicable.

Securities Transaction Tax (STT):

STT is a tax payable in India on the value of securities (excluding commodities and currency) transacted through a recognized Stock Exchange. As of 2020, it is 0.1% for delivery based equity trading. The tax is not applicable on off-market transactions or on commodity or currency transactions. The tax rate is 0.025% on an intra-day transaction. The rate was set at 0.017% on all Futures and Options transactions. STT was originally introduced in 2004 by the then Finance Minister, to stop tax avoidance of capital gains tax. The government reduced this tax in the 2013 budget. The revised STT for delivery-based equity trading is 0.1% on the turnover. For Futures, the tax has been reduced to 0.01% on the sell-side only. For Equity Options, the STT has been reduced to 0.05% on the sell side of the premium amount. STT is a direct tax. STT is levied and collected by the Union government of India.

STT Computation:

As per the Finance Act 2004, and modified by Finance Act 2008 (18 of 2008) STT on the transactions executed on the Exchange shall be as under:

| Sr.No. | Taxable securities transaction | Rates | Payable by |
|--------|---|--------|------------|
| a | Sale of an option in securities (on premium amount) | 0.05% | Seller |
| b | Sale of an option in securities, where option is exercised. It will be levied on intrinsic value instead of settlement price. | 0.125% | Purchaser |

| | | | |
|---|---|-------|-----------------|
| c | Where a derivative contract is settled by physical delivery of shares | 0.10% | Purchase & Sell |
| d | Sale of a futures in securities | 0.01% | Seller |

Other charges/taxes as applicable.

- Value of taxable securities transaction relating to an "option in securities" shall be the option premium, in case of sale of an option in securities.
- Value of taxable securities transaction relating to an "option in securities" shall be the settlement price, in case of sale of an option in securities, where the option is exercised or settled with delivery.

Income Tax and STT

Taxation of profit or loss from securities transactions depends on whether the activity of purchasing and selling of shares / derivatives is classified as investment activity or business activity. Treatment of STT also depends upon whether the income from these securities transactions are included under the head "Income from Capital Gains" or under the head 'Profits and Gains of Business or Profession'.

Scenario 1: Income from Capital Gains

This refers to the scenario where the assessee is either Salaried or is engaged in some other business or profession and trading in securities is not the main line of business. In such cases gains or losses from securities transactions are taxed under the head "Income from Capital Gains". Gains or losses are subject to Short Term Capital Gains (STCG) or Long Term Capital Gains (LTCG) tax depending upon the period of holding, i.e., if the holding period is less than 1 year, gains are classified as STCG and if the holding period is equal to or greater than 1 year, gains are classified as LTCG. Any equity share, which has been sold through a recognised Stock Exchange and on which STT has been paid, the gains are taxed @ 10% under LTCG. Similarly, in case of STCG of such shares, the gains shall be taxed at 15%, plus surcharge and education cess under section 111A of the Act.

Scenario 2: Profits and Gains of Business or Profession

This refers to the scenario where main business of the assessee is trading in securities. In such cases the gains or losses are classified as business income, which is taxed at the regular rate of income-tax. STT paid in respect of taxable securities transactions entered into in the course of business shall be allowed as deduction under section 36 of the Income-tax Act.

Disclaimer- The above is only a summary. The client should take proper advice on the above matters through a qualified Chartered Accountant/Tax Practitioner.

XIII Accounting Policies

The offering envisages Portfolio Management Service and the accounting of the Portfolio manager will be done as per the guidelines issued from time to time by Securities & Exchange Board of India/Institute of Chartered Accountants of India.

XIV Investor Services

Name of the Investor Relations Officer: Mr. Shailesh Adukia, Axis Securities Limited 1st Floor I-Rise Building, Q Park (Loma Park), Thane Belapur Road, Ghansoli, Navi Mumbai - 400 710.

Grievance Redressal and dispute settlement mechanism

The Portfolio Manager has constituted a Portfolio Manager Service Grievance Redressal Cell (PMS GRC). All correspondence in this regard shall be addressed to:

PMS Grievance Redressal Cell - Axis Securities Limited, 1st Floor I-Rise Building, Q Park (Loma Park), Thane Belapur Road, Ghansoli, Navi Mumbai - 400710.

Mechanism

The Portfolio Manager shall endeavor to handle the complaints of clients in the following manner: The clients shall send a written complaint addressed to the PMS GRC. On receipt of the complaint, the PMSGRC on a best effort basis shall endeavor to resolve the complaint within 30 days. In the event the complaint is not resolved within 30 days, the client and the Portfolio Manager and any person designated by the Portfolio Manager shall endeavor to resolve the complaint by mutual dialogue and the dispute shall be attempted to be settled amicably by prompt negotiations between parties, failing which it shall be resolved in terms of the agreement.

Place: Mumbai, Date-01-08-2020

**Names & Signature
(Directors of ASL)**

| S. No. | Name of Director | Signatures |
|---------------|-------------------------|-------------------|
| 1. | Mr. B. Gopkumar | Sd/ |
| 2. | Mr. Anand Shaha | Sd/ |

FORM C
Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

Axis Securities Limited
Unit No. 1, Phoenix Market City
2nd Floor, 15 LBS Road, Near Kamani Junction
Kurla West, Mumbai-400070

We confirm that:

- i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.
- iii) the Disclosure Document has been duly certified by an independent chartered accountant, Mr. Tarun Dhandh, SDG & Co., Chartered Accountants, Registration No. 137864W, 802, Corporate Annex., Sonawala Udyog, Near Udyog Bhavan, Goregaon East, Mumbai-400063 (Enclosed is a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision).

For Axis Securities Limited
SD/-
Vamsi Krishna UV
Principal Officer

Annexure 1

A) Related party disclosure

a. The related party of ASL is Axis Bank Ltd., holding 99.99% of the Equity Share capital of the company.

b) Key Management Personnel

- Mr. B. Gopkumar [Managing Director & CEO]
- Mr. Anand Shaha [Whole-time Director & Compliance officer]
- Mr. Amit Karwa [Deputy General Manager & Principal Officer]
- Mr. Hemant Patel [Chief Financial Officer]
- Ms. Divya Poojari [Company Secretary]

c) Relatives of Key Management Personnel – Mrs. Divya Gop Kumar, Mr. Gop Kumar HUF, Mrs. Sarika Shaha, Mrs. Hina Patel, Anand Shaha HUF

d) Group Companies

- Axis Capital Ltd.
- Axis Private Equity Ltd.
- Axis Trustee Services Ltd.
- Axis Asset Management Company Ltd.
- Axis Mutual Fund Trustee Ltd.
- Axis Finance Ltd.
- A. Treds Ltd.
- Axis Bank UK Ltd.
- Freecharge Payment Technologies Private Limited
- Accelyst Solutions Private Limited
- Axis Capital USA LLC

Related party Transactions as on 31-03-20 in Rs.

Axis Securities Limited

Notes forming part of the financial statements

24 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 Mr. Anand Shaha Mr. Hemantkumar Patel (Chief Financial Officer) Ms. Lovelina Faroz (Company Secretary upto 29.10.19) Ms. Divya Poojary (Company Secretary from 30.01.20 to till date) Mr Gopkumar Bhaskaran (Managing Director & CEO (01.01.20 till date) (Additional Director (18.10.19 to 31.12.19) |
| Fellow Subsidiaries | Axis Private Equity Limited (APEL) Axis Finance Limited (AFL) Axis Mutual Fund Trustee Limited (AMFTL) Axis Trustee Services Limited (ATSL) Axis Asset Management Company Limited (AAMCL) Axis Bank U.K. Limited (ABUKL) Axis Capital Limited (ACL) A. Treds Limited (ATL) Freecharge Payment Technologies Private Limited (FPTPL) (w.e.f. 06 Oct 2017) Accelyst Solutions Private Limited (ASPL) (w.e.f. 06 Oct 2017) Axis Capital USA LLC. (w.e.f. 02 Aug 2017) |

(₹ in Lakhs)

| Transaction/Nature of Relationship | Holding Company | Key Management Personnel | Fellow Subsidiary | Grand Total |
|--|-----------------|--------------------------|-------------------|-------------|
| Income | | | | |
| Business sourcing fee income | 1,024.92 | | | 1,024.92 |
| | (45,962.94) | - | - | (45,962.94) |
| Resource management fee | - | - | - | - |
| | (41,912.27) | - | - | (41,912.27) |
| Commission | - | - | - | - |
| | (5.26) | - | - | (5.26) |
| Interest on fixed deposits | 54.74 | - | - | 54.74 |
| | (59.54) | - | - | (59.54) |
| Other income | 17.90 | - | - | 17.90 |
| | - | - | - | - |
| Other income (AMTFL) | - | - | 37.67 | 37.67 |
| | - | - | - | - |
| Resource management fees (AAMC) | - | - | 1.88 | 1.88 |
| | - | - | (6.71) | (6.71) |
| Bank interest | 2.47 | - | - | 2.47 |
| | (0.96) | - | - | (0.96) |
| Other income (AFL) | - | - | 33.24 | 33.24 |
| | - | - | (47.31) | (47.31) |
| Other income (AAMC) | - | - | - | - |
| | - | - | (182.92) | (182.92) |
| Other income (ACL) | - | - | 11.59 | 11.59 |
| | - | - | (19.85) | (19.85) |
| Brokerage income (Mr. Arun Thukral) | - | 0.08 | - | 0.08 |
| | - | (0.19) | - | (0.19) |
| Brokerage income (Mr. Anand Shaha) | - | 0.00 | - | 0.00 |
| | - | (0.02) | - | (0.02) |
| Brokerage income (Mr. Hemantkumar Patel) | - | 0.01 | - | 0.01 |
| | - | (0.02) | - | (0.02) |
| | | | | |
| | | | | |

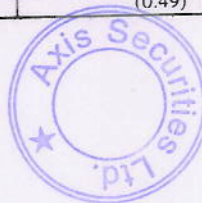


Axis Securities Limited

Notes forming part of the financial statements

| | | | | |
|---|------------------------|---------------------------------|--------------------------|--------------------|
| Expenses | | | | |
| Salaries (Mr Gopkumar Bhaskaran) | - | 122.02 | - | 122.02 |
| | - | - | - | - |
| Salaries (Mr. Arun Thukral) | 142.19 | - | - | 142.19 |
| | (185.12) | - | - | (185.12) |
| Salaries (Mr. Anand Shaha) | - | 94.25 | - | 94.25 |
| | - | (80.15) | - | (80.15) |
| Salaries (Mr. Hemantkumar Patel) | - | 58.66 | - | 58.66 |
| | - | (52.53) | - | (52.53) |
| Salaries (Ms. Lovelina Faroz) | - | 9.70 | - | 9.70 |
| | - | (14.66) | - | (14.66) |
| Salaries (Ms. Divya Poojari) | - | 3.04 | - | 3.04 |
| | - | - | - | - |
| Reimbursement for expenses | 6,160.18 | | | 6,160.18 |
| | (645.79) | | | (645.79) |
| Reimbursement for expenses (Mr. Arun Thukral) | | 0.50 | - | 0.50 |
| | (1.41) | (0.56) | - | (1.97) |
| Bank charges & other charges paid | 114.45 | - | - | 114.45 |
| | (73.43) | - | - | (73.43) |
| Other expenses/ reimbursements (ACL) | | | (1.42) | (1.42) |
| Other transactions | | | | |
| Other reimbursement received (AFL) | | | - | - |
| | | | | |
| Training Exp reimbursement(Cross Sell) | - | | | - |
| | (12.99) | | | (12.99) |
| Reimbursement of operating expenses | | | | |
| | (2.65) | (0.14) | | (2.78) |
| Transaction/Nature of Relationship | Holding Company | Key Management Personnel | Fellow Subsidiary | Grand Total |
| Dividend paid | 3,323.50 | - | - | 3,323.50 |
| Income | | | | |
| Unamortised DP AMC transferred to ASL | 1,873.73 | - | - | 1,873.73 |
| Income | | | | |
| Transition Exp reimbursement | 577.51 | | | 577.51 |
| Income | | | | |
| Sale of asset | 3.55 | - | - | 3.55 |
| | - | - | - | - |
| Outstanding balance as at 31 March 2020 | | | | |
| Other payables | 164.75 | | 54.82 | 219.57 |
| | (163.46) | | | (163.46) |
| Accounts receivable-for services rendered | 17.69 | | | 17.69 |
| | (8,192.44) | | | (8,192.44) |
| | | | | |
| Other payables (AFC) | | | 484.30 | 484.30 |
| | | | (226.34) | (226.34) |
| Accounts receivable-for services rendered- (AAMC) | | | | |
| | | | (0.49) | (0.49) |

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Axis Securities Limited

Notes forming part of the financial statements

| | | | | |
|--------------------------|------------|---|--------|------------|
| Other receivables (AAMC) | | | - | - |
| | | | - | - |
| Other receivables (ACL) | | | 0.11 | 0.11 |
| | | | - | - |
| Other receivables (AFL) | | | 0.06 | 0.06 |
| | | | (0.03) | (0.03) |
| Royalty Charges Payable | 7.60 | - | - | 7.60 |
| | - | - | - | - |
| Overdraft Bank Balance | 9.65 | - | - | 9.65 |
| | - | - | - | - |
| Current account | 12,178.65 | | | 12,178.65 |
| | (6,276.19) | | | (6,276.19) |
| Fixed deposit balance | 1,699.08 | | | 1,699.08 |
| | (5,081.76) | | | (5,081.76) |

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) Figures in bracket represents corresponding amount of previous year.

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