

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Ninth Annual Report** of your Company together with the financial statements, including, Audited Statement of Accounts for the financial year, April 1, 2017 to March 31, 2018. During the year your Company registered a net profit of Rs. 5,728.28 Lakhs.

### FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2018 is given below:

Particulars	Amount (Rs. In Lakhs)	
	Financial Year Ended 31.03.2018	Financial Year Ended 31.03.2017
Gross Income	752,51.41	530,97.41
Expenses	69,523.14	47,298.55
<b>Profit/(Loss) before Tax</b>	<b>5,728.28</b>	<b>5,798.87</b>
Provision for Taxation	1427.0905	103.07
<b>Profit/(Loss) after Tax</b>	<b>4,301.18</b>	<b>5,695.79</b>
Profit available for appropriation	4,301.18	5,695.79
APPROPRIATIONS		
Transfer to General Reserve	Nil	Nil
Transfer to Contingency Reserve	Nil	Nil
<b>Balance after appropriations</b>	<b>4,301.18</b>	<b>5,695.79</b>
<b>Balance Profit /(Loss) Carried Forward</b>	<b>4,301.18</b>	<b>5,695.79</b>

### DISCLOSURES ABOUT CAPITAL INFUSION DURING THE YEAR (IF ANY), SHAREHOLDING PATTERN DIVIDEND AND TRANSFER TO RESERVES

As on March 31, 2018, the issued share capital of the Company was Rs. 2,101,111,120 /- divided into 210,111,112, equity shares of Rs. 10/- each.

Your Directors are pleased to inform that Axis Bank Limited continues to be the sponsor of Axis Mutual Fund, holding 75% (less one share) of the total issued and paid up equity shares of the Company. Schroder Singapore Holdings Private Limited (SSHPL) continues to hold 25% (plus one share) of the total issued and paid up equity share of the Company.

### DIVIDENDS

Your Directors have not recommended payment of any dividend on equity shares, for the year ended March 31, 2018.

### AMOUNT CARRIED TO RESERVES

No amount is proposed to be transferred to reserves.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no such changes / commitments.

## ISSUANCE OF DEBENTURES.

The Company did not issue any debenture(s) during the year.

## STATE OF COMPANY'S AFFAIRS

### MUTUAL FUND ACTIVITY

#### MUTUAL FUND ACTIVITY

Axis Asset Management Company Limited (Axis AMC) had a very good financial year managing the assets of Axis Mutual Fund. The Mutual Fund industry continued on a strong growth trajectory and achieved a new peak AUM. Axis Mutual Fund witnessed strong inflows in its schemes across product categories and asset classes. Simultaneously Axis AMC has continued growing its investor base as well as SIP book. Axis AMC had a strong year on investment performance with all key funds well placed in their respective segments. The company took significant steps towards closing out its product gaps relative to competition with new launches as well as due to SEBI driven product consolidation in the industry.

Following is a summary of the major product highlights/ initiatives:

1. Fixed Income funds: On the back of search for stable debt options, Axis Regular Savings Fund saw strong flows from investors. Axis Corporate Debt Opportunities Fund was launched during the year which allowed the AMC to strengthen its product offering in the ultra short term space.
2. Axis Dynamic Equity and Axis Multicap Fund: Axis AMC had 2 significant open ended equity fund launches during the year. Axis Dynamic Equity Fund is a significant entry to the product basket as it allows the AMC to play in the balanced space.
3. Axis Liquid Fund: It has become one of the leading liquid funds in the industry and crossed 25,000 Cr in AUM during the course of the year.
4. Offshore: Axis launched offshore fixed income advisory during the course of the year. Equity advisory corpus showed healthy growth.

Details of products/schemes launched and allotted during the year 2016-2017:

Sr. No.	Name of the scheme	Type of the scheme	Allotment date	Amount collected during NFO
1	Axis Equity Advantage Fund - Series 1	Equity Fund-Close	25-May-17	8,515,977,330.00
2	Axis NIFTY ETF	ETF	03-Jul-17	216,117,399.90
3	Axis Corporate Debt Opportunities Fund	Debt Fund-Open	13-Jul-17	3,570,054,488.00
4	Axis Dynamic Equity Fund	Equity Fund-Open	01-Aug-17	20,888,574,008.00
5	Axis Equity Advantage Fund - Series 2	Equity Fund-Close	03-Aug-17	861,058,560.00
6	Axis Multicap Fund	Equity Fund-Open	20-Nov-17	21,852,728,985.00
7	Axis Capital Builder Fund	Equity Fund-Close	08-Mar-18	4,422,492,260.00

	- Series 1			
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## **PORTFOLIO MANAGEMENT SERVICES**

The AMC successfully scaled up its equity PMS offering which was launched towards the end of the previous year. Further the AMC has made a successful entry into the AIF space with its maiden launch of a Category II AIF.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

There are no orders passed by Regulators/ Courts which would impact the going concern status of the Company and its future operations.

## **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are approved/ ratified by the Audit and Risk Committee as well as the Board of the Company. Details of related party transactions are attached in "**Annexure-II**" (AOC-2).

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, Mr. R.K. Bammi (DIN: 03411046) retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. During the year there was no new appointment or resignation of Director(s). All Independent Director had been appointed for a term of five years.

All the Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Mr. Chandresh Kumar Nigam, Managing Director and Chief Executive Officer, has not received any commission during the year.

## **KEY MANAGERIAL PERSONNEL AS ON 31ST MARCH, 2018**

In terms of Companies Act 2013, during the year, Mr. Nilesh Pednekar resigned as the Company Secretary w.e.f. August 28, 2017 and in his place Mr. Lalit Taparia was appointed as the Company Secretary of the Company w.e.f. October 24, 2017. Key Managerial personnel of the Company, are as follows, as on March 31, 2018:

Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer  
Mr. Gopal Menon– Chief Operating Officer and Chief Financial Officer  
Mr. Lalit Taparia – Deputy Manager – Legal & Compliance and Company Secretary

## **PUBLIC DEPOSITS**

During the financial year ended March 31, 2018, the company has not accepted any deposit from the members or public under the provisions of sec. 73 to 76 of the Companies Act, 2013. The Company has not accepted any funds from the Directors of the Company during the financial year under review.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, other requirements of the Companies (Accounts) Rules, 2014, are also not applicable.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Income from Foreign Currency – Rs.137,504,664/- (Previous year: Rs. 65,203,706/-)
- b) Payments in Foreign Currency (Rs.)

Particulars	Amount (Rs.)	
	March 31, 2018	March 31, 2017
Travelling, lodging and conveyance	667,326	159,917
Scheme expenses	-	2,252,085
Scheme expenses marketing	18,646	135,656
Data online, Computer & Software related cost	260,882	727,006
IT-Related Cost	152,294	-
<b>Total</b>	<b>1,099,148</b>	<b>3,274,664</b>

## BOARD MEETINGS

During the financial year 2017- 2018, five meetings of the Board of Directors were held on April, 18, 2017, May 8, 2017, July 20, 2017, October 24, 2017 and January 29, 2018. One meeting of the Independent Directors was conducted on March 28, 2018. The status of attendance of Directors at the Board Meetings is as follows:

Name	Designation/category	Director's Identification Number (DIN)	Meetings Attended
Mr. U.R. Bhat	Independent Director	00008425	5
Mr. T.S. Narayanasami	Independent Director	01786981	3
Mr. Ashok Sinha	Independent Director	00070477	5
Mr. P.Vijaya Bhaskar	Independent Director	06629884	5
Ms. Shikha Sharma	Associate Director	00043265	4
Mr. R. K Bammi	Associate Director	03411046	4
Mr. Chandresh Kumar Nigam	Managing Director & Chief Executive Officer	00498968	5
Mr. Richard Mountford	Associate Director	06660424	3
<b>Total Meetings held during the year</b>			<b>5</b>

## COMMITTEES OF THE BOARD OF DIRECTORS AND MANAGEMENT

To enable better and more focused attention on the affairs of the Company, the Board has constituted Committees of the Board, namely, Audit and Risk Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Allotment Committee. The Board has also constituted some committees of the management of the Company including Risk Management Committee, Investment Review Committee, Valuation Committee etc., to which specific matters have been delegated by the Board of Directors.

### CONSTITUTION OF AUDIT AND RISK COMMITTEE OF DIRECTORS

In line with the provisions of the Companies Act, 2013, Audit Committee (referred to as the Audit and Risk Committee) of the Board of Directors of the Company, was constituted by the Board of Directors of your Company. There was no such case where recommendation of Audit and Risk Committee was not accepted.

As on March 31, 2018, the Audit and Risk Committee consists of the following Directors:

Mr. Ashok Sinha  
Mr. Chandresh Kumar Nigam  
Mr. Richard Anthony Mountford  
Mr. T. S. Narayanasami  
Mr. U. R. Bhat

During the Financial Year, 4 Audit and Risk Committee Meetings were held on April, 18, 2017, May 8 2017, October 23, 2017 and January 29, 2018. The status of attendance of the committee members at these committee meetings is as follows:

Name of Members	Designation	No. of Audit and Risk Committee Meetings attended
Mr. Ashok Sinha	Independent Director	4
Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	4
Mr. Richard Anthony Mountford	Associate Director	2
Mr. T. S. Narayanasami	Independent Director	2
Mr. U. R. Bhat	Independent Director	4
<b>Total Meetings held during the year</b>		<b>4</b>

### CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee of the Board of Directors has been constituted, to comply with the provisions of the Companies Act, 2013 and ensure better standards of Corporate Governance.

As on March 31, 2018, the Nomination and Remuneration Committee consisted of the following directors:

Mr. Chandresh Kumar Nigam  
Mr. Richard Anthony Mountford  
Mr. Ashok Sinha  
Mr. T.S. Narayanasami  
Mr. U. R. Bhat  
Mr. R.K. Bammi

During the Financial Year, 4 meetings of Nomination and Remuneration committee were held on April 10, 2017, September 14, 2017, January 29, 2018 and March 28, 2018. The status of attendance of the Committee Members at these Committee Meetings is as follows:

Name of Members	Designation	No. of Nomination and Remuneration Committee
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		<b>Meetings attended</b>
Mr. Chandresh Kumar Nigam	Managing Director & Chief Executive Officer	4
Mr. Richard Anthony Mountford	Associate Director	2
Mr. T.S. Narayanasami	Independent Director	3
Mr. U. R. Bhat	Independent Director	4
Mr. Ashok Sinha	Independent Director	4
Mr. R.K. Bammi	Associate Director	4
<b>Total Meetings held during the year</b>		<b>4</b>

#### **CONSTITUTION OF SHARE ALLOTMENT COMMITTEE**

Share Allotment Committee of the Board of Directors has been constituted to comply with the provisions of the Companies Act, 2013

The Committee approves the allotment of shares, upon receiving the money in respect of any application for shares/ issue of shares, which is approved by the Board of Directors of the Company.

As on March 31, 2018, the Share Allotment Committee consisted of the following directors:

Mr. Chandresh Kumar Nigam- Managing Director & Chief Executive Officer  
 Mr. R. K. Bammi- Associate Director  
 Mr. Richard Anthony Mountford- Associate Director

During the Financial Year, no meeting of Share Allotment Committee was held.

#### **CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Axis AMC has constituted a Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility) Rules, 2014. The brief outline of the CSR Policy, the composition of the CSR Committee, average net profits of the Bank for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the year have been disclosed in "**Annexure 1**" to this Report, as mandated under the said Rules.

CSR Committee consists of following Directors:

1. Mr. Ashok Sinha
2. Mr. R. K. Bammi
3. Mr. Chandresh Kumar Nigam

The CSR Committee meeting was held on September 14, 2017. The status of attendance of the Committee Members at these Committee Meetings is as follows:

<b>Name of Members</b>	<b>Designation</b>	<b>No. of CSR Meeting attended</b>
Mr. Ashok Sinha	Independent Director	1
Mr. R. K. Bammi	Associate Director	1
Mr. Chandresh Kumar Nigam	Independent Director	1

#### **RISK MANAGEMENT**

Audit and Risk Committee of Axis AMC interalia discusses various risk management related issues, at its periodic meetings. This is a committee of the Board of Directors of Axis AMC and is chaired by an Independent Director. The Audit and Risk Committee of the Board updates the Board on various important risk issues discussed at their meetings.

Axis AMC also has a Risk Management Committee (RMC) of the management of the company. The meetings of this committee are held on a monthly basis. The meeting of this committee is chaired by the Managing Director & Chief Executive Officer of the AMC. Various function heads of the AMC are the members of this committee. Various risk issues are raised and discussed at the monthly meetings of the committee. The minutes of the RMC are submitted to the Audit and Risk Committee of the Board. Comprehensive Risk Management requirements have been laid down by SEBI in the SEBI Regulations. The AMC adheres to these requirements. In accordance with the SEBI requirements, Independent auditors Price Waterhouse Chartered Accountants LLP (one of the leading global auditors), the internal auditors of the Mutual Fund, and the AMC, review the adequacy and compliance of risk management practices established at the AMC, as a part of their periodic audits. The internal auditors report directly to the Audit and Risk committee of Axis AMC and Audit Committee of Axis Mutual Fund Trustee Limited.

Various risk related issues pertaining to investment management are also discussed and deliberated at the monthly meetings of the Investment Management Committee chaired by the MD & CEO. Various equity and debt fund managers including the Head Debt and Head Equity form a part of this committee. Important issues discussed in the meeting are also deliberated upon at the meetings of the Board of Directors of the company and Axis Mutual Fund Trustee Company.

## **BOARD EVALUATION**

The Board continued with the formal mechanism for evaluating its performance, as well as that of its Committees and the Directors, including the Chairperson of the Board. The exercise was carried out through an evaluation process covering various aspects of the Board's functioning. A questionnaire was shared with all the Directors to get their response / views on various aspects such as composition and structure, strategic alignment and direction, engagement alignment, process and effectiveness of interactions etc. of the Board and various aspects pertaining to the functioning of the committees, etc. Performance evaluation of Directors including the Board Chairman was also undertaken.

The Nomination and Remuneration committee of the Board carried out an evaluation of the entire board, various committees and the individual directors of the Company excluding the director being evaluated. The Independent Directors too carried out the evaluation of the board as whole, of the Chairman and the Non-Independent Directors of the Company.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## **Nomination and Remuneration policy**

The Nomination and Remuneration Committee of the Board has been formed to assist the Board in its oversight of nomination and remuneration, interalia of the Board members and the staff of the Company. The Nomination and Remuneration policy has been framed to interalia achieve the following objectives:

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and staff of the quality required to run the company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Company has engaged an external auditing firm, which carries out periodic audits based on the annual audit plan. The Audit Plan is designed, keeping in mind, various key risks and critical operations of the company. The Audit Plan also considered audit areas suggested by the statutory auditors and was approved by the Audit and Risk Committee.

During the year, the audit and risk committee met regularly to review various observations and recommendation for improvement of business processes made by the external auditing firm and monitor the progress in implementation of the various audit recommendations.

#### **SECRETARIAL AUDIT REPORT**

Secretarial Audit for the year 2017-18 was undertaken by MC & Associates, Company Secretaries. The audit interalia covers review of compliance with the requirements specified under Companies Act, 2013 and the Rules made under the Act. The Secretarial Audit Report is given as an Annexure to this report.

#### **STUATORY AUDITORS**

The Auditors, M/s Haribhakti & Co, Chartered Accountants having firm registration number 103523W, were appointed for the period of 5 year in the annual General Meeting held in 2014. As recommended by the Audit and Risk Committee, the Board has appointed M/s Haribhakti & Co., Chartered Accountants as Statutory Auditors to hold the office till the conclusion of the 10<sup>th</sup> Annual General Meeting. As per section 139(1) of Companies Act 2013, appointment of auditors is subject to ratification every year by members of the Company. The shareholders are requested to ratify their appointment at every Annual General Meeting thereafter.

#### **QUALIFICATIONS IN THE AUDITOR'S REPORT(S).**

The report of the Statutory Auditor and the Secretarial Auditor do not have any qualification, reservation, any adverse observations or any disclaimer.

Further, no frauds have been reported by the Auditors under section 143(12) of the Companies Act, 2013.

#### **AS PER SUB SECTION 1 OF SECTION 178 POLICIES ON APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178**



The Company has framed a policy on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters provided under sub-section (3) of section 178. Some of the key features of the Policy are as under:

- While selecting Independent Directors, the company shall ensure that there is appropriate balance of skills, experience and knowledge in the Board, so as to enable the Board to discharge its functions and duties effectively
- The independent directors shall be independent of the management of the company
- Their appointment shall be approved at the meeting of the shareholders
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Appropriate other qualification/experience to meet the objectives of the Company.
- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the relevant industry, market conditions and applicable legal provisions
- To assist in bringing independent judgment to bear on the Board's deliberations, especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder, as amended from time to time.

## EMPLOYEES

The statement containing particulars of employees as required under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. Any member interested in obtaining a copy of this Annexure may write to the Company Secretary at the Registered Office of the Company.

## PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEE GIVEN OR SECURITY PROVIDED U/S 186

Followings are the details of loans and guarantee given, security provided and Investments made during the year:

1. Loans and guarantee given - Nil
2. Security provided - Nil
3. Investment Made:

Details of Investment	Purpose	Amount in Rupees (in units)				
		Opening	Purchase	Redemption	Gain	Closing
Axis Liquid Fund - Direct Growth	Parked surplus funds In units	1,383,341,915 (778,407.934)	5,251,300,000 (2,825,020.784)	4,998,000,000 (2,689,592.801)	82,373,673 (2,689,592.801)	1,719,015,588 (913,835.900)

Mf Utilities India Private Limited	Investment made in terms of SEBI Gazette Notification dated May 6, 2014	500,000	-	-	-	500,000
Axis Fixed Income Opportunities Fund - Direct - Growth		5,000,000	-	-	-	5,000,000
Axis Enhanced Arbitrage Fund - Direct - Growth		(500,000)	-	-	-	(500,000)
Axis Focused 25 Fund - Direct - Growth		5,000,000	-	-	-	5,000,000
Axis Banking Debt Fund - Direct - Growth		(500,000)	-	-	-	(500,000)
Axis Liquid Fund - Direct Growth		5,000,000	-	-	-	5,000,000
Axis Constant Maturity 10 Year Fund - Direct Plan - Growth		(286,861.733)	-	-	-	(286,861.733)
Axis Dynamic Bond Fund - Direct Plan - Growth		5,000,000	-	-	-	5,000,000
Axis Equity Fund - Direct Plan - Growth		(3,874.991)	-	-	-	(3,874.991)
Axis Gold Fund - Direct Plan - Growth		5,000,000	-	-	-	5,000,000
Axis Regular Saving Fund - Direct Plan - Growth		(3201.590)	-	-	-	(3201.590)
Axis Income Saver - Direct Plan - Growth		3,500,000	-	-	-	3,500,000
Axis Mid Cap Fund - Direct Growth		(277,705.046)	-	-	-	(277,705.046)
Axis Short Term Fund - Direct Plan - Growth		5,000,000	-	-	-	5,000,000
Axis Treasury Advantage Fund - Direct Growth		(340,217.058)	-	-	-	(340,217.058)
Axis Triple Advantage Fund - Direct Growth		5,000,000	-	-	-	5,000,000
Axis Long Term Equity Fund - Direct Growth		(260,145.682)	-	-	-	(260,145.682)
Gold Exchange Traded Fund		5,000,000	-	-	-	5,000,000
Axis Equity Saver Fund - Direct Growth		(517,512.627)	-	-	-	(517,512.627)
Axis Children Gift Fund - Direct Growth		5,000,000	-	-	-	5,000,000
Axis Nifty ETF - Direct Growth		5,000,000	-	-	-	5,000,000
		(367,555.170)	-	-	-	(367,555.170)
		5,000,000	-	-	-	5,000,000
		(321,320.241)	-	-	-	(321,320.241)
		5,000,000	-	-	-	5,000,000
		(197,083.169)	-	-	-	(197,083.169)
		5,000,000	-	-	-	5,000,000
	(323,055.850)	-	-	-	(323,055.850)	
	5,000,000	-	-	-	5,000,000	
	(3,170.064)	-	-	-	(3,170.064)	
	5,000,000	-	-	-	5,000,000	
	(323,047.501)	-	-	-	(323,047.501)	
	5,000,000	-	-	-	5,000,000	
	(161,830.104)	-	-	-	(161,830.104)	
	5,156,794	-	-	-	5,156,794	
	(2,000)	-	-	-	(2,000)	
	5,000,000	-	-	-	5,000,000	
	(500,000)	-	-	-	(500,000)	
	5,000,000	-	-	-	5,000,000	
	(500,000)	-	-	-	(500,000)	
	2,202,047	-	-	-	2,202,047	
	(2,315)	-	-	-	(2,315)	

Axis Corporate Debt Opportunities Fund - Direct Growth	5,000,000	-	-	-	5,000,000
	(500,000)	-	-	-	(500,000)
Axis Dynamic Equity Fund - Direct Plan	5,000,000	-	-	-	5,000,000
	(500,000)	-	-	-	(500,000)
Axis Multicap Fund -Direct Growth	5,000,000	-	-	-	5,000,000
	(500,000)	-	-	-	(500,000)
Axis Alternative Investment Fund Series 1	50,000,000	-	-	-	50,000,000
	(500)	-	-	-	(500)

## EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT 9 is given in "Annexure-III" (MGT – 9) and forms part of this report.

## Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013

Your Company has adequate safeguards to protect women at workplace and is fully committed to uphold and maintain the dignity of every women executive working in the Company. The Status of complaints filed and pending as on date of the report is as under:

Number of complaints pending as on the beginning of the period: Nil

Number complaints filed during the financial period: Nil

Number of complaints pending as on the end of the period: Nil

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company, at the end of the financial year and of the profit and loss of the company, for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

The Board of Directors places on record its gratitude to the Securities and Exchange

Board of India, Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks, distributor partners for their strong support and guidance. The Board acknowledges the support of the shareholders and also places on record its sincere thanks to its valued clients and customers for their continued patronage. The Board also expresses its deep sense of appreciation to all employees of the Company for their strong work ethic, excellent performance, professionalism, team work, commitment and initiative which has led to the Company making commendable progress in today's challenging environment.

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



**Director**



**Director**

Place: Mumbai  
Date: April 16, 2018

## Annexure - 1

### Corporate Social Responsibility Activities

[Pursuant to section 135 of the Companies Act, 2013 and rule 9 of the Companies (Accounts) Rules, 2014]

#### 1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy

The Board of Directors (Board) adopted the CSR Policy (Policy) on January 27, 2016. The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The company aims to promote literacy among the disadvantaged and differently-abled people and also financial literacy amongst consumers at large which includes consumer education and awareness as well as capacity building and skill building in various sectors of the economy. The Company promotes initiatives that preserve, restore and enhance environment, ecological balance, and natural resources. It undertakes measures to eradicate hunger, poverty and malnutrition as well as to improve sanitation, health and hygiene. The Company also aims to undertake activities to reduce inequalities faced by socially and economically backward groups. These activities may be carried out by the company on its own or through agencies/NGOs etc.

The CSR amount was paid to Axis Foundation. Contribution from Axis AMC shall be utilised for payment to Samaj Pragati Sansthan (SPS), which runs a programme in Madhya Pradesh. Under this programme, SPS works in dry land of central India on issues of water resources management, rural development, decentralised governance and to develop convergences of government schemes for the rural poor.

Axis Bank Foundation (ABF) was set up as a Public Trust in 2006 to carry out the Corporate Social Responsibility initiatives of Axis Bank and its group entities. The Foundation has committed itself to participate in various socially relevant endeavours on creating sustainable livelihoods by focusing on interventions related to Agricultural Practices and Farm Income, Vocational Training leading to Income and Employment and Women Empowerment.

#### 2. The Composition of the CSR Committee of Axis AMC

Mr. Ashok Sinha – Chairman  
Mr. R. K. Bammi – Independent Director  
Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer

#### 3. Average net profit of the company for last three financial years

Year ended	(Amount in Rupees) Amount
March 31, 2015	85,419,862
March 31, 2016	316,357,507
March 31, 2017	579,886,802
Average net profits of immediate preceding three years	327,221,390
<b>Amount to be spent for CSR activities (2% of average net profit)</b>	<b>6,544,428</b>

#### 4. Prescribed CSR Expenditure

The CSR Committee meeting was held on September 14, 2017 where Committee recommended Rs. 6,544,428 to be spent on CSR activities. This amount was accordingly spent as per recommendation of the committee.

#### 5. Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year (2017-2018): Rs. 6,544,428

- b) Amount unspent, if any: - Not applicable  
c) Manner in which the amount spent during the financial year is detailed below

The CSR Amount was paid to Axis Bank Foundation. Contribution from Axis AMC shall be utilised for payment to Samaj Pragati Sanstan (SPS), a non-governmental voluntary organization, established in the year 1990, which runs a programme in Madhya Pradesh. Under this programme, SPS works for improving agriculture productivity for small farmers through watershed management and augmenting its gains through sustainable dry land practices that enable small farmers achieve better and more remunerative practices for agriculture produce through aggregation and access to markets.

Sr. No.	CSR project or activity Identified	Sector In which the Project is covered	Projects or programs  (1) Local area or other  (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs  Subheads:  (I) Direct expenditure on projects or programs  (II) Overheads	Cumulative expenditure up to the reporting period	Amount spent:  Direct or through implementing agency*
1.	Axis Foundation for the onward disbursement to Samaj Pragati Sangh (livelihoods and food security in Adivasi Central India)	Towards livelihoods and food security	livelihoods and food security  Place :- rural poor in the states of Madhya Pradesh and Maharashtra	Rs. 6,544,428	<b>Direct expenditure on projects or programs:</b>  Rs. 2,786,391 was paid to Axis Bank Foundation. Contribution from Axis AMC shall be utilised for payment to Samaj Pragati Sanstan (SPS), which runs a programme in Madhya Pradesh	Rs. 6,544,428	Rs. 2,786,391 was paid to Axis Bank Foundation. Contribution from Axis AMC shall be utilised for payment to Samaj Pragati Sanstan (SPS), which runs a programme in Madhya Pradesh

\*Give details of implementing agency: (details provided in point 1)

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report – Not applicable

**7. Responsibility Statement**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

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



Director



Director

Place: Mumbai

Date: April 16, 2018

## Annexure- II

## Form No. AOC-2

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

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

Sr No	related party	Nature of relationship	Nature of the contract	contract	Particulars of the contract or arrangement	including the value, if any
NIL						

## 2. Details of contracts or arrangements or transactions at arm's length basis:

Sr No	Name of the related party	Nature of relationship	Nature of contract	Duration of the contract	Particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any
1	Axis Bank Limited	Holding Company	Brokerage on sale of Mutual Fund Units	Ongoing, effective till not terminated	Axis AMC is the asset management company of Axis Mutual Fund (AMF). AAMCL engaged Axis Bank Ltd (ABL), Axis Capital LTD (ACL) and Axis Securities Ltd (ASL) for provision of marketing services in respect of mutual fund schemes of AMF. In this regard, the functions performed by ABL, ACL and ASL will majorly include the following activities: • Getting In touch with the prospective clients to market the schemes;	The agreement between parties enumerates the various terms of services to be provided / availed by either parties, however the brokerage rates for ongoing schemes is negotiated/communicated normally on monthly/quarterly basis. In case of launch of new schemes/funds the brokerages rates are negotiated/communicated before the launch of such new schemes.
2	Axis Capital Ltd	Subsidiary of Holding Company	Brokerage on sale of Mutual Fund Units	Ongoing, effective till not terminated	• Discussing with the clients the type of investments and the quantum of investments to be made in a particular scheme; • Soliciting, collecting applications/ registration forms and other documents and promptly deliver the same to Axis AMC; • Collecting the subscription forms; and • Acting as an intermediary between the customers and Axis AMC and to resolve any query raised by the customers.	
3	Axis Securities Ltd	Subsidiary of Holding Company	Brokerage on sale of Mutual Fund Units	Ongoing, effective till not terminated		
4	Axis Securities Ltd	Subsidiary of Holding Company	Marketing Support cost	Ongoing, effective till not terminated	Axis Amc has tie up with Axis securities, which sells mutual fund through its portal, they have a setup of dedicated desk for trade and call through which mutual fund gets sold.	The billing is decided based on period and services offered.
5	Axis Bank Limited	Holding Company	lease rent Agreement	Current Agreement is for period 1st July 2016 to 30th June 2019 which is further renewable	For the purpose of carrying out its business, AMC has entered into a lease agreement with ABL for its premises located on 1st floor, Axis House, C-2 Wadia International center, Bombay Dyeling Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025.	AMC has taken an office area of 14126.67 sq ft @ 170 per sq ft from July 2016 onwards.
6	Axis Bank Limited	Holding Company	lease rent Agreement - Reimbursement of administration expenses and Expenses recovered	Ongoing, effective till not terminated	AMC is currently sharing its corporate office with ABL. ABL incurs cost towards maintenance of the entire premises for eg Security cost gardening cost, house keeping cost, Insurance premium cost any other repair costs etc. It allocates cost to AMC based on area occupied by amc or on one to one basis on actuals	Amount varies month on month based on actuals incurred by ABL
7	Axis Bank Limited	Holding Company	Rent Expenses - other location ( other than corporate office)	Ongoing, effective till not terminated	For the purpose of marketing its products, Axis AMC has placed its employees at various branches of Axis Bank. The employees occupy desk space at these location There are currently 51 such locations across India where the employees of Axis AMC are placed. Axis Bank is paying rent to third party for the total area. Axis Bank is recovering rent from AMC at actuals in proportion to the desk space occupied by the employees of AMC vis-a-vis the total number of desk space occupied.	Amounts will vary monthly, it will be based on location and desk space occupied by AMC employees
8	Axis Bank Limited	Holding Company	Facilities Expenses - other location ( other than corporate office)	Ongoing, effective till not terminated	As mentioned above Axis AMC has placed its employees at various branches of Axis Bank. Further, Axis Bank provides certain amenities to the employees of AMC occupying such desk space. The management of Axis Bank have identified certain costs incurred for such amenities and has allocated the same on the basis of area occupied by each desk.	Axis Bank charges a flat rate of INR 5,500 per desk per month to AMC for the various amenities provided to the employees of AMC at the branch premises of Axis Bank.
9	Axis Bank Limited	Holding Company	Bank Charges	Ongoing, effective till not terminated	These charges have been paid to Axis Bank in the normal course of business. The charges are towards normal cash management services (CMS) that include tasks like fund transfer, cheque collection, banking, warrant issuance etc	Axis Bank charges Rs.3/- rate per instrument, to AMC for payment service charges for cheque printing, NEFT, RTGS & DC and NFO application process charges per location Rs.1000/-



2. Details of contracts or arrangements or transactions at arm's length basis:

Sr No	Name of the related party	Nature of relationship	Nature of contract	Duration of the contract	Particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any
10	Axis Bank Limited	Holding Company	Custodian and Bookkeeping accounting services	Ongoing, effective till not terminated	Other charges like custodian charges, reimbursement of fund accounting charges, gilt account transaction charges, etc. which Axis AMC incurs in the normal course of its Portfolio Management Business	Asset servicing charges (fund accounting charges), Axis Bank charges AAMCL 0.01% of the total value of the security held under custody. Further in relation to gilt accounting charges, Axis Bank charges INR 250 per transaction plus CCIL charges. This is only for the Portfolio management business.
11	Axis Securities Ltd	Subsidiary of Holding Company	business support expenses	Ongoing, effective till not terminated	For the purpose of marketing its products, Axis AMC has placed its employees at various branches of ASL. The employees occupy desk space at these locations. There are currently 8 such locations across India where the employees of Axis AMC are placed. ASL also provides amenities and business support to such placed employees. The amenities are recovered on proportionate actuals basis. The agreement between ASL and AMC lists down various mutual responsibilities of ASL and Axis AMC in relation to aforesaid services.	From 1st of April 2016 onwards all resources that were on the roll of Axis securities have been moved to Axis AMC's pay roll. Payment made during the period from 1st of April 2016 to 31st December towards gratuity and full & final settlement. (ASL charges a mark-up of 10% over and above the salary and other salary related expenses on paid to such employees by ASL. The amenities and rentals are recovered on prorated actuals)
12	Independent/Associate Directors :-		Directors sitting Fees	Ongoing, effective till not terminated	For every meeting attended the director is paid Rs 50,000/- per meeting attended (proposed to be revised upwards)	50,000/- per meeting attended
	Mr. T S Narayanan Sami	Independent Director				
	Mr. U R Bhat	Independent Director				
	Mr. Ashok Sinha	Independent Director				
	Mr. P. Vijaya Bhaskar	Independent Director				
	Mr. R K Bammal	Associate director				
13	Chandresh Kumar Nigam	MD& CEO	Directors Remuneration	5 Years	Chandresh Nigam has been appointed as MD& CEO of Axis AMC	Salary and perquisites as approved by the Remuneration and Nomination committee and the Board of Directors of the company
14	Nilesh Pednekar	Manager Compliance & Legal & Company Secretary	Salary	Ongoing, effective till not terminated	Nilesh Pednekar has been appointed as Senior Manager -Compliance, Legal & Company Secretary of Axis AMC ( Ceased from the position from close of business hours on 28th of August 2017)	Salary and perquisites as approved by the Remuneration and Nomination committee and the Board of Directors of the company
15	Lalit Taparla	Deputy Manager Legal & Compliance and Company Secretary	Salary	Ongoing, effective till not terminated	Lalit Taparla has been appointed as Company Secretary of Axis AMC w.e.f. 24th of October 2017	Salary and perquisites as approved by the Remuneration and Nomination committee and the Board of Directors of the company
16	Gopal Menon	COO & CFO	Salary	Ongoing, effective till not terminated	Gopal Menon has been appointed as COO & CFO of Axis AMC	Salary and perquisites as approved by the Remuneration and Nomination committee and the Board of Directors of the company
17	Schroders Investment Management (Singapore Limited)	shareholder	Investment advisory fees	Ongoing, effective till not terminated	Axis AMC has been appointed as an advisor of Schroder International selection fund (SISF) Indian equity fund, (SISF) Indian Bond fund and SISF Indian opportunities fund for which Axis AMC is received fixed and variable fees	Axis AMC has revised terms with SISF, fixed fee would be \$ 22,158 per month. Apart from fixed fees, variable fees shall remain the same that is an amount equivalent to 50% of the estimated average net management fees rate for relevant sub funds as may be agreed upon by the parties from time to time.
18	Schroders Investment Management (Singapore Limited)	shareholder	Investment advisory fees	Ongoing, effective till not terminated	Axis AMC has been appointed as an advisor of Schroder International selection fund (SIMAL) for Unisuper Indian Equity Portfolio.	A variable fee shall be payable to Axis AMC on the applicable average daily value of the portfolio, SIMAL shall share 50% of the net management fees of the portfolio received by SIMAL.
19	Schroders Investment Management (Singapore Limited)	shareholder	Reimbursement of travelling expenses	-	Recovery of actual travelling expenses of an employee from Schroders Investment Management (Singapore) Ltd.	Recovery of actual travelling expenses of an employee from Schroders Investment Management (Singapore) Ltd.
20	Axis Bank Limited	Holding Company	Reimbursement of Investor Compensation	-	Recovery of actual Investor compensation paid to Investor from Axis bank.	Recovery of actual Investor compensation paid to Investor from Axis bank.
21	Axis Bank Limited	Holding Company	Extension of line of credit	Ongoing, effective till not terminated	Axis AMC has availed line of credit facility of Rs. 80 crs. The line of credit will be utilised for payment of business/brokerage payouts	The rate of interest offered by ABL is 10.10%
22	Axis Bank Limited	Holding Company	Reimbursement receipt of TDS on ESOP	Ongoing, effective till not terminated	Axis bank reimburse TDS on ESOP every month to Axis AMC on behalf of Axis AMC employee	At Actuals

2. Details of contracts or arrangements or transactions at arm's length basis:

Sr No	Name of the related party	Nature of relationship	Nature of contract	Duration of the contract	Particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any
23	Irish Business Services Limited	Common director of Axis AMC & IRIS (ceased to be a director w.e.f 3rd September 2017 from IRIS)	Software for FATCA data upload to CDBT	Current Agreement is for period 27th April 2016 to 26th April 2017.	These charges have been paid to IRIS for supply, installation and support for IRIS Form 61B software for submission of compliance report (Form 61B) to Central Board of Direct Taxation (CBDT) in XML file format for the period from 1st of April 2017 to 3rd September 2017.	Value as offered by IRIS and approved by the AMC
24	Axis Bank Limited	Holding Company	Distribution fees on selling of PMS products of Axis AMC.	-	AAMCL engaged Axis Bank Ltd (ABL) for provision of marketing/Distribution services in respect of its PMS Product. In this regard, the functions performed by ABL will majorly include the following activities: <ul style="list-style-type: none"> <li>• Getting in touch with the existing/prospective clients to market the product;</li> <li>• Discussing with the clients the type of investments and the quantum of investments to be made in a particular product;</li> <li>• Soliciting, collecting applications/ registration forms and other documents and promptly deliver the same to Axis AMC;</li> <li>• Collecting the subscription forms; and</li> <li>• Acting as an intermediary between the customers and Axis AMC and to resolve any query raised by the customers.</li> </ul>	Currently Axis AMC is actively soliciting clients under 'AXIS BRAND EQUITY' strategy within its PMS segment'.  The commission rates decided are :- Upfront Commission- 4% (4.5% from August, 2017 to December, 2017) Setup Fees* - 0% - 1% Trail commission- 2nd & 3rd Year Trail- 0.75% 4th Year Trail, - If Fixed Fees (Type-1-2.5%) charged to customer- 1.35% - If Fixed Fees (Type-2-1.5%) charged to customer- 0.85% *100% of the setup fees recovered from client will be paid to Axis Bank.
25	Axis Trustee Finance Ltd.	Subsidiary of Holding Company	Trusteeship fees for Axis AIF	Ongoing, effective till not terminated	One time acceptance fees for Axis Alternative Investment Fund	
26	Axis Bank Limited	Holding Company	Distribution fees on selling of Alternative Investment Fund (AIF) products.	-	AAMCL engaged Axis Bank Ltd (ABL) for provision of marketing/Distribution services in respect of its AIF Products. In this regard, the functions performed by ABL will majorly include the following activities: <ul style="list-style-type: none"> <li>• Getting in touch with the existing/prospective clients to market the product;</li> <li>• Discussing with the clients the type of investments and the quantum of investments to be made in a particular product;</li> <li>• Soliciting, collecting applications/ registration forms and other documents and promptly deliver the same to Axis AMC;</li> <li>• Collecting the subscription forms; and</li> <li>• Acting as an intermediary between the customers and Axis AMC and to resolve any query raised by the customers.</li> </ul>	Currently Axis AMC is plans to actively soliciting clients under 'AXIS New opportunities AIF-I' strategy within its AIF segment'.  The commission rates decided are :- Setup Fees - 1% Upfront Fees* -4.25%

For and on behalf of the Board of Directors

  
Director

  
Director

Place: Mumbai  
Date: April 16, 2018

**ANNEXURE- III**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2018

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

**I. Registration and other details:**

- i) CIN: U65991MH2009PLC189558
- ii) Registration Date: January 13, 2009
- iii) Name of the Company: Axis Asset Management company Limited
- iv) Category / Sub-Category of the Company: Company Limited by Shares, Indian Non-Government Company
- v) Address of the registered office and contact details: Axis House, 1st Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025
- vi) Whether listed company (Yes/ No): No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
Kavy Computershare Pvt. Ltd.  
Kavy Selenium ,Tower B, Plot number 31 & 32  
Financial District,Gachibowli  
Hyderabad 500 032

**II. Principal business activities of the company**

All the Business activities contributing 10 % or more of the total turnover of the company are:-

SR.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment Management-The Company manages Investment Portfolios of the scheme(s) launched by the Axis Mutual Fund and Portfolio under Portfolio Management Services	804.9	98.82%

**III. Particulars of holding, subsidiary and associate companies**

S. NO	Name and Address of The company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
1	Axis Bank Limited	L65110GJ1993PLC020769	Holding	75%*	2(46)

\*Schroder Singapore Holdings Private Limited holds 25% plus one share



b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>									
<b>2.Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>210111112</b>	-	<b>210111112</b>	<b>100%</b>	<b>210111112</b>	-	<b>210111112</b>	<b>100%</b>	<b>Nil</b>

@ shares held by nominees of Axis Bank Limited.

ii) **Shareholding of Promoters**

SR No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Axis Bank Limited.	157583333 <sup>^</sup>	75%	Nil	157583333 <sup>^</sup>	75%	Nil	No change
2	Schroder Singapore Holdings Private Limited	52527779	25%	Nil	52527779	25%	Nil	No change
	<b>Total</b>	<b>210111112</b>	<b>100%</b>	<b>Nil</b>	<b>210111112</b>	<b>100%</b>	<b>Nil</b>	<b>No change</b>

<sup>^</sup> Out of 15,75,83,333 shares held by Axis Bank Limited, 70 shares are held by nominees of Axis Bank Limited

iii) **Change In Promoters' Shareholding: No change**

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

SR. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
Nil					

v) **Shareholding of Directors and Key Managerial Personnel: Nil**

**V. Indebtedness**

**Indebtedness of the Company Including interest outstanding/accrued but not due for payments**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-

ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	-	-	-	-
<b>Change In Indebtedness during the financial year</b>	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+ II+ III)</b>	-	-	-	-

## VI. Remuneration of directors and Key Managerial Personnel

Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sl. No	Particulars of Remuneration	CHANDRESH KUMAR NIGAM	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,61,45,138	8,61,45,138
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify...	-	-

5	Others, please specify	-	-
	Total (A)	8,61,84,738	8,61,84,738
	Ceiling as per the Act	As specified in section 197, 198 and Schedule V of Companies Act 2013 and any other applicable rules, regulation of Companies Act 2013	

**Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors Fee for attending board/ committee meetings	Ashok Sinha	T.S. Narayanasami	U. R. Bhat	P. Vijaya Bhaskar	-
	Director Sitting Fees	7,50,000	4,00,000	7,00,000	3,00,000	21,50,000
	<b>Total (1)</b>					<b>21,50,000</b>
	Other Non-Executive Directors Fee for attending board / committee meetings	Ramesh Kumar Bammi 4,50,000	-	-	-	4,50,000
	<b>Total(2)</b>	-	-	-		<b>4,50,000</b>
	Total(B)=(1+2)					<b>26,00,000</b>
	Total Managerial Remuneration (B)	<b>12,00,000</b>	<b>4,00,000</b>	<b>7,00,000</b>	<b>3,00,000</b>	<b>26,00,000</b>
	Overall Ceiling as per the Act	<p>197 (1)(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,—  (A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;  (B) three per cent. of the net profits in any other case.</p> <p>197 (2) The percentages aforesaid shall be exclusive of any fees payable to directors under sub-section (5).</p> <p>197 (5) A director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board</p>				



**Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

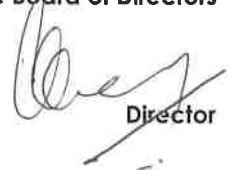
Sl. No	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	Company Secretary	CFO	Total
	Names	Mr. Chandresh Kumar Nigam	Mr. Nilesh Pednekar	Mr. Lalit Taparia	Mr. Gopal Menon	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,61,45,138	12,09,340	11,99,770	2,08,24,553	<b>1,09,378,801</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	-	-	15,600	<b>55,200</b>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
		-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	<b>Total</b>	<b>8,61,84,738</b>	<b>12,09,340</b>	<b>11,99,770</b>	<b>2,08,40,153</b>	<b>10,94,34,001</b>

**VII. Penalties / Punishment/ Compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority [RD / NCLT/ COURT]	Appeal made, If any (give Details)
Penalty	Nil				
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty	Nil				
Punishment					
Compounding					

For and on behalf of the Board of Directors

  
Director

  
Director

Place: Mumbai  
Date April 16, 2018

**M C & Associates**  
**Company Secretaries**  
409, B Wing, Gurukrupa  
N.C. Kelkar Road, Opp. Plaza Cinema  
Dadar West, Mumbai – 400 028  
Contact No: 022 24374044 / 99

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 2017 - 2018**

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

To,

The Members,

**AXIS ASSET MANAGEMENT COMPANY LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AXIS ASSET MANAGEMENT COMPANY LIMITED** hereinafter called "**The Company**". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **AXIS ASSET MANAGEMENT COMPANY LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined on test check basis the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -**Not Applicable**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -**Not Applicable**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -**Not Applicable**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; -**Not Applicable**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and -**Not Applicable**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -**Not Applicable**

vi. Other laws as may be applicable specifically to the company are annexed as **Annexure I**

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

- i. Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India vide its notification no. 1 (SS) dated April 23rd, 2015, effective from July 1, 2015 and the revised Secretarial Standard 1 and Secretarial Standard 2 effective from October 1, 2017.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange with respect to units of Axis Mutual Fund listed with exchange, if applicable; -

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in composition of Directors during the year and the composition was in line with applicable laws.

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

All decisions were unanimously passed by directors.



There were no instances where any Board Member dissented to the agenda matters that were presented. All matters were approved unanimously.

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

We further report that during the audit period the company has specific events / actions which is attached to the report as **Annexure II**.

**For MC & Associates  
Practicing Company Secretaries**

Miten Chawda  
FCS No: 6949  
C P No: 11625



Place: Mumbai

Date:

*Note: Parawise details of the Audit finding, if necessary, may be placed as annexure to the report.*



Annexure I

List of other laws applicable to the Company

1. Securities and Exchange Board of India (Mutual Funds) Regulations
2. Securities and Exchange Board of India (Portfolio Managers) Regulations,
3. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations and other applicable SEBI regulations,
4. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
5. Securities and Exchange Board of India (Research Analysts) Regulation 2014
6. Securities and Exchange Board of India Act, 1992
7. Securities Contracts (Regulation) Act, 1956 ('SCRA')
8. SEBI (Alternative Investment Funds) Regulations, 2012
9. Companies Act, Rules and XBRL regulations
10. Association of Mutual Funds in India's guidelines, circulars & directives
11. The Bombay Stamp Act, 1958
12. Indian Stamp Act, 1899
13. Indian Registration Act, 1908
14. Prevention of Money-Laundering Act, 2002
15. The Depositories Act, 1996 and relevant Stock Exchange Regulations
16. Reserve Bank of India Act, 1934 and other rules, regulations and guidelines prescribed by RBI
17. Securities Transaction Tax Act
18. Foreign Exchange Management Act, 1999 (FEMA)
19. Income Tax Act, 1961
20. The Maharashtra Value Added Tax Act, 2002
21. Profession Tax Act (corporate and as applicable to branches),
22. Service Tax Act/ Rules/ Regulations
23. Patents Act, 1970,
24. Trade Marks Act, 1999
25. Indian Copyright Act, 1957
26. Indian Contract Act 1872
27. Employee's Provident Funds and Miscellaneous Provisions Act, 1952
28. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
29. Shops and Establishment Act (corporate and as applicable),
30. Other laws as applicable to branches
31. Payment of Gratuity Act, 1972
32. Workmen's Compensation Act, 1923
33. Maternity Benefit Act, 1961



**M C & Associates  
Company Secretaries**

- 34. The Employees State Insurance Act, 1948
- 35. Competition Act, 2002
- 36. Information Technology Act, 2000
- 37. Limitation Act, 1963



Annexure II

List of Specific Events

Sr. No.	Remarks	Board Directors Approval date	of Members Approval date
1.	Launch of AIF (real estate fund) under category II	18.04.2017	NA
2.	Noting of resignation of Mr. Nilesh Pednekar as a Company Secretary and KMP w.e.f August 29, 2017 by way of resolution passed by circulation of the Board of Directors	22.08.2017	NA
3.	Approval of performance linked incentives for the year ended 31 <sup>st</sup> March, 2017& remuneration payable to Mr. Chandresh Nigam, MD & CEO for the Financial Year 2017-18	18.04.2017	20.07.2017
4.	Appointment of Mr. Lalit Taparia as the Company Secretary of Axis AMC w.e.f October 24, 2017	24.10.2017	-
5.	Change in the designation of Mr. Vijaya Bhaskar from Additional Director to Director	-	20.07.2017

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





**Annexure-III**

To,  
**The Board of Directors,  
AXIS ASSET MANAGEMENT COMPANY LIMITED**  
"Axis House", 1st Floor, C-2, Wadia International Centre,  
Pandurang Budhkar Marg, Worli, Mumbai 400025.

Dear Sirs,

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

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

Thanking you.

Yours faithfully,  
For MC & Associates  
Practicing Company Secretaries

Miten Chawda  
FCS No: 6949  
C P No: 11625



## INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Asset Management Company Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Axis Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements read with Notes comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 19 on Contingent Liabilities to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;



# HARIBHAKTI & CO. LLP


Chartered Accountants

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Purushottam Nyati

Partner

Membership No. 118970



Place: Mumbai

Date: April 16, 2018

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Asset Management Company Limited on the financial statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable properties. Accordingly, the provision stated in paragraph 3 (i) (c) of the order is not applicable.
- (ii) The Company does not hold any inventory. Accordingly, the provision stated in paragraph 3 (ii) of the order is not applicable
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of investments the Company has complied with the provisions of Section 186 of the Act. Further, Company has not given any loan, Guarantees or Securities.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax/goods and service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, delay in deposit have not been serious.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax/goods and service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.



# HARIBHAKTI & CO. LLP

Chartered Accountants

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending	Remarks
Income tax Act, 1961	Income Tax	4,33,984/-	AY 2013-14	Appeal Pending before CIT(A)	

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institution, bank, or government.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

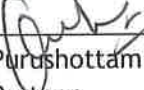


# HARIBHAKTI & CO. LLP

Chartered Accountants

- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

  
Purushottam Nyati  
Partner  
Membership No.118970



Place: Mumbai  
Date: April 16, 2018

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Asset Management Company Limited on the financial statements for the year ended March 31, 2018]

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

We have audited the internal financial controls over financial reporting of Axis Asset Management Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any



# HARIBHAKTI & CO. LLP

Chartered Accountants

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Purushottam Nyati

Partner

Membership No. 118970



Place: Mumbai

Date: April 16, 2018

# AXIS ASSET MANAGEMENT COMPANY LIMITED

Balance Sheet as at March 31, 2018

Amount in ₹

Particulars	Notes no.	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	2,101,111,120	2,101,111,120
Reserves and surplus	3	458,567,206	28,448,732
		<b>2,559,678,326</b>	<b>2,129,559,852</b>
<b>Non-current liabilities</b>			
Other long-term liabilities	4	2,554,458	20,770,193
Long-term provisions	5	482,605,839	376,235,570
		<b>485,160,297</b>	<b>397,005,763</b>
<b>Current liabilities</b>			
Trade payables-Other than MSME		921,892,070	715,964,919
Trade payables-MSME		-	-
Other current liabilities	6	511,172,317	140,755,543
Short-term provisions	5	567,162,170	355,553,470
		<b>2,000,226,557</b>	<b>1,212,273,932</b>
<b>TOTAL</b>		<b>5,045,065,180</b>	<b>3,738,839,547</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property plant & equipment	7	49,619,866	46,413,512
Intangible assets		15,675,261	23,347,517
Intangible assets under development		8,175,232	2,856,900
		<b>73,470,359</b>	<b>72,617,929</b>
Non current investments	8	161,358,841	94,156,794
Deferred tax assets (Net)	9	189,293,495	-
Long-term loans and advances	10	1,164,759,169	941,256,336
<b>Current assets</b>			
Current investments	11	1,719,015,588	1,383,341,915
Trade receivables	12	606,526,652	225,912,093
Cash and cash equivalents	13	1,405,939	1,776,815
Short-term loans and advances	10	997,932,311	920,717,454
Other current assets	14	131,302,826	99,060,211
		<b>3,456,183,316</b>	<b>2,630,808,488</b>
<b>TOTAL</b>		<b>5,045,065,180</b>	<b>3,738,839,547</b>

Note:

Significant accounting policies

1


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

As per our report attached of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

  
Purushottam Nyati  
Partner

Membership No. 118970



For and on behalf of the Board



Shikha Sharma  
Chairperson  
DIN: 00043265



U R Bhat  
Director  
DIN: 00008425



Chandresh Kumar Nigam  
Managing Director & CEO  
DIN: 00498968



Gopal Menon  
COO & CFO



Lalit Taparia  
Company Secretary



Mumbai, April 16, 2018

Mumbai, April 16, 2018

# AXIS ASSET MANAGEMENT COMPANY LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

Amount in ₹

Particulars	Notes no.	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
Revenue from operations	15	7,436,442,616	5,280,317,057
Other income	16	88,698,866	29,424,265
<b>Total Revenue</b>		<b>7,525,141,482</b>	<b>5,309,741,322</b>
<b>Expenses</b>			
Employee benefits expense	17	1,282,169,731	1,086,619,540
Depreciation and amortization expense	7	42,910,022	41,141,641
Other expenses	18	5,627,234,204	3,602,093,339
<b>Total Expenses</b>		<b>6,952,313,957</b>	<b>4,729,854,520</b>
<b>Profit before tax</b>		<b>572,827,525</b>	<b>579,886,802</b>
<b>Tax expense</b>			
Current tax		348,122,337	123,757,122
MAT credit entitlement		(16,119,793)	(113,449,746)
Deferred tax		(189,293,493)	-
		142,709,051	10,307,376
<b>Profit after tax</b>		<b>430,118,474</b>	<b>569,579,426</b>
Earnings per equity share annualized (refer note no. 24)			
Basic		2.05	2.71
Diluted		2.05	2.71

Significant accounting policies

1

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

As per our report attached of even date

For and on behalf of the Board

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

  
Rurushottam Nyati  
Partner



Membership No. 118970



Shikha Sharma  
Chairperson  
DIN: 00043265



Gopal Menon  
COO & CFO  
Mumbai, April 16, 2018



U R Bhat  
Director  
DIN: 00008425



Lalit Taparia  
Company Secretary



Chandresh Kumar Nigam  
Managing Director & CEO  
DIN: 00498968



Mumbai, April 16, 2018

# AXIS ASSET MANAGEMENT COMPANY LIMITED

Cash Flow Statement for the year ended	Amount in ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation and extraordinary items	572,827,525	579,886,802
Add/ (Less): Adjustments for		
Depreciation	42,910,022	41,141,641
Interest on Income-tax refund	5,079,626	-
Loss/(profit) on sale of fixed assets (net)	(7,805)	112,685
(Profit)/ Loss on sale of investments	(82,373,673)	(26,010,979)
<b>Operating Profit before changes in assets and liabilities</b>	<b>538,435,695</b>	<b>595,130,149</b>
Increase/ (Decrease) In Trade payables	205,927,151	86,996,280
Increase/ (Decrease) in Other Long-term liabilities	(18,715,735)	(170,348,705)
Increase/ (Decrease) in Provisions	317,978,969	353,588,428
Increase/ (Decrease) in Other current liabilities	370,416,775	7,168,549
(Increase)/ Decrease in Short-term loans and advances	(80,634,859)	222,152,750
(Increase)/ Decrease In Long-term loans and advances	(274,940,341)	390,082,668
(Increase)/ Decrease in Other current assets	(32,242,615)	(3,053,050)
(Increase)/ Decrease In Trade receivables	(380,614,559)	(79,143,897)
<b>Cash generated from operations</b>	<b>646,110,479</b>	<b>1,402,573,172</b>
Income-tax paid (net of refund)	(273,121,137)	(232,332,605)
<b>Net cash from operating activities</b>	<b>372,989,342</b>	<b>1,170,240,567</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(43,766,167)	(51,607,292)
Proceeds from sale of fixed assets	11,520	194,900
Advance for purchase of fixed assets	(9,103,524)	501,037
Purchase of Investments	(5,251,300,000)	(5,182,500,000)
Purchase of Non Current Investments	(67,202,047)	-
Proceeds from sale of investments	4,998,000,000	4,063,200,000
<b>Net cash used in Investing activities</b>	<b>(373,360,218)</b>	<b>(1,170,211,355)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowing	-	-
Repayment from short-term borrowing	-	-
<b>Net cash from/ (used in) financing activities</b>	<b>(370,874)</b>	<b>29,210</b>
Net (Decrease)/ Increase in cash and cash equivalents	1,776,815	1,747,605
Cash and cash equivalents at the beginning of the year	1,405,939	1,776,815
Cash and cash equivalents at the end of the year		

Note-1. Cash and cash equivalents consist of balances with Bank in current account

2. The above cash flow statement has been prepared under the indirect method as set out in accounting standard 3 on cash flow statement

As per our report attached of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W/W100048

  
Purushottam Nyati  
Partner  
Membership No. 118970



Mumbai, April 16, 2018

For and on behalf of the Board



Shikha Sharma  
Chairperson  
DIN: 00043265

  
Gopal Menon  
COO & CFO

Mumbai, April 16, 2018



U R Bhat  
Director  
DIN: 00008425

  
Lalit Taparia  
Company Secretary

  
Chandresh Kumar Nigam  
Managing Director & CEO  
DIN: 00498968



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018

#### Company overview

Axis Asset Management Company Limited ('the Company') was incorporated on January 13, 2009 under The Companies Act, 1956. Axis Bank Limited holds 75% of the total issued and paid up equity share capital, the balance 25% plus one equity share is held by Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders plc.

The Company has been approved by the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 to act as an Investment Manager. The Company's principal activity is to act as investment manager to Axis Mutual Fund ('the Fund'). The Company manages Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated June 27, 2009.

The Company is registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (PMS). The Company is also providing investment management services to Alternative Investment Funds (AIF) launched under SEBI (Alternative Investment Funds) Regulations, 2012.

#### 1. Significant accounting policies

##### 1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act and other accounting principles generally accepted in India to the extent applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly issued accounting standard is initially adapted or revised to an existing accounting standard which requires a change in the accounting policy hereto in use.

##### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognized prospectively in the current and future periods.

##### 1.3 Property, plant and equipment (PPE) and capital advances

PPE are stated at their cost of acquisition less accumulated depreciation, amortization and impairment losses. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets.

Subsequent expenditure capitalized only if it is probable that the future economic benefits associated to the expenditure will flow to the company and cost can be measured reliably. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018

Gain or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

The residual value, useful life and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

The capital advances includes advances paid to acquire PPE.

#### 1.4 Intangible assets

Intangible fixed assets acquired separately are measured on initial recognition at cost (less cenvat credit). Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gain or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

#### 1.5 Depreciation on PPE and intangible assets

Depreciation is provided on the straight-line method from the date of installation/addition by using the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 (except as stated herein below).

Based on the management's estimate of the useful life of a PPE at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, and then depreciation is provided at a higher rate. Pursuant to this policy, depreciation has been provided using the following estimated useful life:

Class of assets	Estimated Useful life	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013
<b>Tangible PPE</b>		
Computers and peripherals	3 years*	3 and 6 years
Mobile phones	2 years*	5 years
Office equipment's	5 years	5 years
Furniture and fixtures	10 years	10 years
<b>Intangible assets</b>		
Software	3 years	NA

\*Justification for considering useful life different from part C of schedule II to the Companies Act, 2013:

Management has estimated useful life of assets for server & networks and mobile phones as three years and two years respectively after taking in to consideration rapid evolution of technology and tendency of the users to opt for advanced features.

Leasehold Improvements are amortized over the primary period of the lease from the date of capitalization as per the Company's policy. The primary period of lease is defined as the term of lease or 3 years whichever is earlier.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the statement of Profit and Loss till the date of sale.



**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018**

**1.6 Impairment of assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**1.7 Operating cycle**

Based on the nature of its activities the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

**1.8 Investments**

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

Current Investments are stated at lower of cost or fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of Profit and Loss Account.

Long term Investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of such Investments.

Purchase and sale of Investment is recorded on the trade date basis.

**1.9 Revenue recognition**

**a) Revenue from operation**

Management fees are recognized on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from PMS, AIF and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

**b) Other income**

Income from sale of Investments is determined on weighted average basis and recognized on the trade date basis.

In respect of other heads of Income the company accounts the same on accrual basis.

**1.10 Employee benefits**

**a) Provident fund**

The company contributes to a recognized Provident Fund scheme, which is a defined contribution scheme. The contributions are accounted for on an accrual basis and charged to statement of Profit and Loss Account.

**b) Gratuity, Exgratia & compensated absences**

The Company operates two defined benefit plans for its employees, viz., gratuity/exgratia and compensated absences. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Actuarial gains/losses are immediately taken to statement of Profit and Loss.





Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018

**1.11 Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the recordings the transactions. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing rate on that date.

The exchange differences, if any, either on settlement or translation are recognized in statement of Profit and Loss .

**1.12 Scheme related expenses**

**a) Fund expenses**

Expenses of schemes of Axis Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 and expenses incurred directly (inclusive of advertisement/brokerage expenses) on behalf of schemes of Axis Mutual Fund are charged to the statement of Profit and Loss .

**b) New fund offer expenses**

Expenses relating to new fund offer of Axis Mutual Fund are charged to statement of Profit and Loss in the year in which they are incurred.

**c) Brokerage**

Clawbackable brokerages paid by the Company in advance are charged to the statement of Profit and Loss over the claw-back period/tenure of the respective scheme. The unamortized portion of the clawbackable brokerage is carried forward as prepaid expense.

Upfront brokerage on closed ended and fixed tenure schemes is amortized over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortized over 3 years. The unamortized portion of the brokerage is carried forward as prepaid expense.

Any other brokerage is expensed out in the year in which they are incurred.

**1.13 PMS and AIF brokerage :**

Brokerages paid on certain PMS products are amortized over the exit load period. Unamortized portion of brokerage is carried forward as prepaid expenses.

Brokerage paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the brokerage is carried forward as prepaid expense.

**1.14 Taxes on income**

The tax expense comprises current tax and deferred tax.

Current tax is determined in accordance with Income Tax Act, 1961.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted before the Balance Sheet date. Deferred tax adjustments comprises of changes in the deferred tax assets and liabilities and recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only to the extent there is a virtual certainty of realisation of such assets. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the statement of Profit and Loss in the period of the change



**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018**

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

**1.15 Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

Lease payments for assets taken on operating lease rentals are recognized as expense on a straight-line basis over the lease period, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

**1.16 Long Term Incentive plan (LTIP)**

The company has initiated Axis AMC- Long Term Incentive plan. The points granted to employees as per the guidelines laid down in the plan, are encashable after they are held for a specified period as per the terms of the plan. Company accounts for the liability arising on points granted proportionately over the period from the date of grant till the end of the exercise window. The liability is assessed and provided on the basis of valuation carried out by an independent valuer.

**1.17 Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**1.18 Provisions and contingencies**

Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that, an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

**1.19 Cash & cash equivalents**

- Cash and cash equivalent includes cash on hand and balances held in current accounts with scheduled banks.



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### 2. Share capital

Particulars	Amount In ₹	
	As at March 31, 2018	As at March 31, 2017
<b>Authorized</b>		
Equity Shares, ₹10/- each		
215,000,000 (Previous year 215,000,000) Equity Shares	2,150,000,000	2,150,000,000
7.28% Redeemable non convertible Preference Shares, ₹10/- each		
30,000,000 (Previous year 30,000,000) Preference Shares	300,000,000	300,000,000
<b>Issued, subscribed and paid-up</b>		
Equity Shares, ₹10/- each		
210,111,112 (Previous year 210,111,112) Equity Shares fully paid up	2,101,111,120	2,101,111,120
<b>Total issued, subscribed and paid-up capital</b>	<b>2,101,111,120</b>	<b>2,101,111,120</b>

#### a. Terms/ rights attached to equity shares

The company has two class of shares referred to as equity shares and preference shares having par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distributions of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

#### b. Reconciliation of the shares outstanding at the beginning and end of the March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
<b>Equity Shares</b>				
At the beginning of the year	210,111,112	2,101,111,120	210,111,112	2,101,111,120
Add: Shares Issued during the year	-	-	-	-
<b>Number of shares at the end</b>	<b>210,111,112</b>	<b>2,101,111,120</b>	<b>210,111,112</b>	<b>2,101,111,120</b>

#### c. Details of shareholders holding more than 5% shares and shares held by holding company

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Amount in ₹	% held	Amount in ₹	% held
Axis Bank limited (holding company) and Its nomlnees, 157,583,333 (Previous year 157,583,333) Equity shares of ₹10 each fully paid	1,575,833,330	75%	1,575,833,330	75%
Schroder Singapore Holdings Private Limited 52,527,779 (Previous year 52,527,779) Equity Shares of ₹10 each fully paid	525,277,790	25%	525,277,790	25%
	<b>2,101,111,120</b>	<b>100%</b>	<b>2,101,111,120</b>	<b>100%</b>

#### d. Details of bonus shares issued, shares issued for consideration other than cash and shares bought back

Equity Shares :	March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### 3. Reserves and surplus

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
<b>Securities premium reserve</b>		
Opening balance as per last financial statements	288,888,896	288,888,896
Add: Addition during the year	-	-
Closing balance	<u>288,888,896</u>	<u>288,888,896</u>
<b>Surplus/(deficit) in statement of profit &amp; loss</b>		
Opening balance as per last financial statements	(260,440,164)	(830,019,591)
Add: Profit for the year	430,118,474	569,579,425
Closing balance	<u>169,678,310</u>	<u>(260,440,164)</u>
<b>Total reserves &amp; surplus</b>	<u>458,567,206</u>	<u>28,448,732</u>

### 4. Other long-term liabilities

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
Trade payables	-	12,193,119
Others		
- Future lease rent liability	2,554,458	8,577,074
	<u>2,554,458</u>	<u>20,770,193</u>

### 5. Provisions

Particulars	Amount in ₹			
	Long term provisions		Short term provisions	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>				
- Provision for gratuity (Refer note 22)	32,564,283	26,383,436	5,415,120	2,540,199
- Provision for leave encashment (Refer note 22)	8,626,570	5,568,363	3,073,727	632,272
- Provision for salaries and allowances	441,414,986	344,283,771	509,871,421	329,376,217
Provision for contingencies (Refer note 30)	-	-	48,801,902	23,004,782
	<u>482,605,839</u>	<u>376,235,570</u>	<u>567,162,170</u>	<u>355,553,470</u>

### 6. Other current liabilities

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
Future lease rent liability	-	833,567
Employee provident fund dues payable	5,041,167	3,777,675
Profession tax payable	75,991	60,648
Other payables		
- Withholding taxes payable	25,326,399	6,044,608
- Service tax payable/GST Payable	177,626,129	94,102
Book overdraft	229,461,203	-
Outstanding liabilities	73,641,428	129,944,942
	<u>511,172,317</u>	<u>140,755,542</u>



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### 7. Fixed assets

Particulars	Gross Block						Accumulated Depreciation			Net Block	
	April 1, 2017	Additions	Deductions	Year ended March 31, 2018	April 1, 2017	For the year	Deductions	Year ended March 31, 2018	Year ended March 31, 2018	As at March 31, 2017	
<b>Property plant &amp; equipment</b>											
Computers	67,632,553	18,750,959	1,102,784	85,280,728	43,279,953	15,102,347	1,102,784	57,279,516	28,001,212	24,352,600	
Furniture & fixtures	9,495,947	551,898	19,463	10,028,382	5,813,738	576,302	15,748	6,374,292	3,654,090	3,682,209	
Office equipments	14,328,703	2,353,194	48,350	16,633,547	9,129,770	2,127,635	48,350	11,209,055	5,424,492	5,198,933	
Leasehold improvements	53,137,207	10,160,339	4,235,008	59,062,538	39,957,437	10,800,037	4,235,008	46,522,466	12,540,072	13,179,770	
<b>a</b>	144,594,410	31,816,390	5,405,605	171,005,195	98,180,898	28,606,321	5,401,890	121,385,329	49,619,866	46,413,512	
<b>Intangible assets</b>											
Software	75,566,955	6,631,445	-	82,198,400	52,219,438	14,303,701	-	66,523,139	15,675,261	23,347,517	
<b>b</b>	75,566,955	6,631,445	-	82,198,400	52,219,438	14,303,701	-	66,523,139	15,675,261	23,347,517	
<b>Total</b>	<b>220,161,365</b>	<b>38,447,835</b>	<b>5,405,605</b>	<b>253,203,595</b>	<b>150,400,336</b>	<b>42,910,022</b>	<b>5,401,890</b>	<b>187,908,468</b>	<b>65,295,127</b>	<b>69,761,029</b>	

Particulars	Gross Block						Accumulated Depreciation			Net Block	
	April 1, 2016	Additions	Deductions	Year ended March 31, 2017	April 1, 2016	For the year	Deductions	Year ended March 31, 2017	Year ended March 31, 2017	As at March 31, 2016	
<b>Property plant &amp; equipment</b>											
Computers	47,709,985	20,689,044	766,476	67,632,553	31,202,378	12,556,462	478,887	43,279,953	24,352,600	16,507,607	
Furniture & fixtures	9,099,815	628,957	232,825	9,495,947	5,499,494	527,073	212,829	5,813,738	3,682,209	3,600,321	
Office equipments	13,270,098	1,251,261	192,656	14,328,703	7,178,921	2,143,505	192,656	9,129,770	5,198,933	6,091,177	
Leasehold improvements	45,394,779	9,638,273	1,895,845	53,137,207	30,820,854	11,032,428	1,895,845	39,957,437	13,179,770	14,573,925	
<b>a</b>	115,474,677	32,207,535	3,087,802	144,594,410	74,701,647	26,259,468	2,780,217	98,180,898	46,413,512	40,773,030	
<b>Intangible assets</b>											
Software	55,529,168	20,037,787	-	75,566,955	37,337,265	14,882,173	-	52,219,438	23,347,517	18,191,903	
<b>b</b>	55,529,168	20,037,787	-	75,566,955	37,337,265	14,882,173	-	52,219,438	23,347,517	18,191,903	
<b>Total</b>	<b>171,003,845</b>	<b>52,245,322</b>	<b>3,087,802</b>	<b>220,161,365</b>	<b>112,038,912</b>	<b>41,141,641</b>	<b>2,780,217</b>	<b>150,400,336</b>	<b>69,761,029</b>	<b>58,964,933</b>	



# AXIS ASSET MANAGEMENT COMPANY LIMITED

## 8. Non-Current Investments

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
<b>Non current Investment</b>		
<b>Investment In shares</b>		
<b>(non trade, unquoted)</b>		
500,000 fully paid equity shares (previous year 500,000) in MF Utilities India Private Limited (valued at cost)	500,000	500,000
<b>Investments in mutual fund</b>		
<b>(trade, unquoted)</b>		
500,000.000 Units(previous year 500,000.000 Units)In Axis Fixed Income Oportunities Fund-Direct - Growth	5,000,000	5,000,000
500,000.000 Units (previous year 500,000.000 Units) in Axis Enhanced Arbitrage Fund - Direct - Growth	5,000,000	5,000,000
286,861.733 Units (previous year 286,861.733 Units) In Axis Focused 25 Fund - Direct - Growth	5,000,000	5,000,000
3,874.991 Units (previous year 3,874.991 Units) in Axis Banking Debt Fund - Direct - Growth	5,000,000	5,000,000
3,201.590 Units (previous year 3,201.590 Units) In Axis Liqud Fund - Direct Growth	5,000,000	5,000,000
277,705.046 Units (previous year 277,705.046 Units) in Axis Constant Maturity 10 Year Fund - Direct Plan -	3,500,000	3,500,000
340,217.058 Units (previous year 340,217.058 Units) In Axis Dynamic Bond Fund - Direct Plan - Growth	5,000,000	5,000,000
260,145.682 Units (previous year 260,145.682 Units) in Axis Equity Fund - Direct Plan - Growth	5,000,000	5,000,000
517,512.627 Units (previous year 517,512.627 Units) in Axis Gold Fund - Direct Plan - Growth	5,000,000	5,000,000
367,555.170 Units (previous year 367,555.170 Units) in Axis Regular Savings Fund - Direct Plan - Growth (erstwhile known as Axis income fund-Direct Plan - Growth)	5,000,000	5,000,000
321,320.241 Units (previous year 321,320.241 Units) in Axis Income Saver - Direct Plan - Growth	5,000,000	5,000,000
197,083.169 Units (previous year 197,083.169 Units) in Axis Mid Cap Fund - Direct Growth	5,000,000	5,000,000
323,055.850 Units (previous year 323,055.850 Units) in Axis Short Term Fund - Direct Plan - Growth	5,000,000	5,000,000
3,170.064 Units (previous year 3,170.064 Units) in Axis Treasury Advantage Fund - Direct Growth	5,000,000	5,000,000
323,047.501 Units (previous year 323,047.501 Units) in Axis Triple Advantage Fund - Direct Growth	5,000,000	5,000,000
161,830.104 Units (previous year 161,830.104 Units) in Axis Long Term Equity Fund - Direct Growth	5,000,000	5,000,000
2000.000 Units (previous year 2000.00 Units) in Gold Exchange Traded Fund	5,156,794	5,156,794
500,000.000 Units (previous year 500,000.000 Units) In Axis Equity Saver Fund- Direct Growth	5,000,000	5,000,000
500,000.000 Units (previous year 500,000.000 Units) In Axis Children Gift Fund- Direct Growth	5,000,000	5,000,000
500,000.000 Units (previous year Nil Units) In Axis Nifty ETF - Direct Growth	2,202,047	-
500,000.000 Units (Previous year Nil Units)in Axis Corporate Debt Opportunties Fund - Direct Growth	5,000,000	-
500,000.000 Units (Previous year Nil Units)In In Axis Dynamic Equity Fund - Direct Plan - Growth	5,000,000	-
500,000.000 Units (Previous year Nil Units)In Axis Multicap Fund-Direct Growth	5,000,000	-
	<b>111,358,841</b>	<b>94,156,794</b>
<b>Investment in other funds</b>		
<b>(trade unquoted)</b>		
500.000 Units (Previous year Nil)in Axis new opportunities Alternative Investment Fund Series 1	50,000,000	-
	<b>50,000,000</b>	<b>-</b>

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	Cost	Market Value	Cost	Market Value
<b>Aggregate amount and Market Value of unquoted investments :</b>				
Mutual Funds*	110,858,841	138,174,556	93,656,794	109,119,820
Others Funds*	50,000,000	50,522,246	-	-
Unquoted equity shares	500,000	NA	500,000	NA

\*Market value is based on NAV declared by Mutual Fund and AIF

## 9. Deferred tax assets (Net)

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
Provision for contingency	9,014,546	-
Provision for employee benefits	268,927,167	-
Expense disallowance	8,775,348	-
Lease equalization	892,630	-
Prepaid brokerage	(108,877,320)	-
Depreciation on fixed assets	10,561,122	-
	<b>189,293,493</b>	<b>-</b>



**10. Loans and advances**

Particulars	Amount in ₹			
	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Unsecured and considered good</b>				
Capital advance	10,021,000	917,476	-	-
Security deposits				
- Rental deposits	40,815,399	24,440,910	2,946,450	3,420,000
- Other deposits	22,200	22,200	-	-
- Advance for expenses	-	-	4,196,980	4,358,486
Prepaid expenses (Other)	143,641	586,429	15,454,637	16,069,367
Unamortized brokerage	357,865,418	396,484,434	705,262,177	882,802,205
Balances with statutory/ Government tax authorities	328,152,981	27,105,325	270,072,067	14,067,396
MAT credit entitlement	-	180,972,493	-	-
MAT credit utilized and Advance Income-tax (net of provision of Rs.477,635,367/-(previous year 129,513,030/- ))	427,738,530	310,727,069	-	-
	<b>1,164,759,169</b>	<b>941,256,336</b>	<b>997,932,311</b>	<b>920,717,454</b>

**11. Current Investments**

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
<b>Current investment - (trade, unquoted)</b> <b>(Valued at cost or fair value, whichever is lower)</b>		
<b>Investments in mutual fund</b>		
913,835.920 Units (previous year 778,407.934 Units) In Axis Liquid Fund - Direct Plan - Growth option	1,719,015,588	1,383,341,915
	<b>1,719,015,588</b>	<b>1,383,341,915</b>

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	Cost	Market Value	Cost	Market Value
Aggregate amount and Market Value of unquoted investments : Mutual Funds**	1,719,015,588	1,761,446,882	1,383,341,915	1,403,645,892

\*\*Market value is based on NAV declared by Mutual Fund

**12. Trade receivables**

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good and outstanding for less than six months</b>		
Other debts	606,526,652	225,912,093
	<b>606,526,652</b>	<b>225,912,093</b>

**13. Cash and cash equivalents**

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
Balances with bank in - current account	1,405,939	1,776,815
	<b>1,405,939</b>	<b>1,776,815</b>

**14. Other current asset**

Particulars	Amount in ₹	
	As at March 31, 2018	As at March 31, 2017
Recoverable from schemes	131,302,826	99,060,211
	<b>131,302,826</b>	<b>99,060,211</b>



# AXIS ASSET MANAGEMENT COMPANY LIMITED

## 15. Revenue from operations

Particulars	Amount in ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Investment management fees	7,240,974,019	5,211,267,655
Investment advisory fees - offshore	136,659,673	65,203,706
Portfolio management fees/AIF fees	58,808,924	3,845,696
	<b>7,436,442,616</b>	<b>5,280,317,057</b>

## 16. Other income

Particulars	Amount in ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Gains on sale/ redemptions of mutual fund units (net) from current investment	82,373,673	26,010,979
Profit on sale of fixed assets (net)	7,805	-
Miscellaneous income	6,317,388	3,413,286
	<b>88,698,866</b>	<b>29,424,265</b>

## 17. Employee benefits expense

Particulars	Amount in ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages & allowances	1,204,165,079	1,017,434,915
Contribution to provident funds & other funds	44,337,624	38,948,276
Staff welfare expenses	33,667,028	30,236,349
	<b>1,282,169,731</b>	<b>1,086,619,540</b>

## 18. Other expenses

Particulars	Amount in ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Scheme related expenses	5,180,004,419	3,276,025,158
PMS/AIF related expenses	57,157,395	7,699,093
Rent (Refer note 23)	63,421,622	71,183,854
Rates and taxes	3,720,738	2,595,745
Establishment expenses	37,256,001	23,090,731
Communication expenses	42,029,231	45,231,578
Outsourced services cost	33,994,232	18,306,451
Legal expenses and professional fees	46,891,442	32,647,998
Travelling, lodging and conveyance	43,378,638	38,732,810
Computer and software related cost	67,615,370	50,259,143
Printing and stationery	4,883,923	3,514,600
Membership and subscriptions	6,585,816	5,025,398
Entertainment and business promotion	13,064,800	8,861,317
Brokerage for premises	767,120	112,200
Auditors remuneration		
- Audit fees	1,134,000	1,050,000
- Tax audit fees	486,000	450,000
- Out of pocket expenses	14,104	6,375
- Other matters	40,000	30,000
Repairs, maintenance & others	8,498,058	6,042,310
Directors sitting fees	2,604,250	2,010,000
Foreign exchange loss (net)	72,434	230,744
Service tax expenses	6,562,219	3,966,911
Loss on sale of assets	-	112,685
CSR Contribution as per section 135 of Companies Act, 2013 (Refer note 28)	6,544,428	2,786,391
Miscellaneous expenses	507,964	2,121,847
	<b>5,627,234,204</b>	<b>3,602,093,339</b>





**AXIS ASSET MANAGEMENT COMPANY LIMITED****Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018****19. Contingent liabilities –**

Disputed income tax demand of ₹ 510,570/- for AY 13-14 on account of unamortized brokerages, out of total demand ₹ 76,586/- has been paid. Appeal pending before CIT(A).

**20. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided is ₹ 23,826,385/- (Previous year ₹ 8,652,404)

**21. Sundry Creditors**

Sundry creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro and Small Enterprises. Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro and Small enterprises. Based on the information and records available with the management, the following disclosures are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities.

Particulars	Amount (₹)	
	March 31, 2018	March 31, 2017
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

**22. Employee benefits**

In accordance with the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) notified under section 133 of Companies Act, 2013, the Company has classified the various benefits provided to the employees as under:

**a) Defined contribution plan****Provident fund**

The Company has recognized the following amounts in statement of Profit and Loss Account, which are included under Contributions to Provident & other funds:

Particulars	Amount (₹)	
	March 31, 2018	March 31, 2017
Employer's contribution to provident fund	26,505,417	22,515,556



**AXIS ASSET MANAGEMENT COMPANY LIMITED**

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018

**b) Defined benefit plans**

The actuarial liability of leave encashment and gratuity of the Company is given below:-

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

Particulars	Unfunded Leave encashment		Unfunded Gratuity/Exgratia	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Statement of Profit and loss</b>				
<b>Net employee benefit expenses</b>				
Current service cost	3,898,105	1,180,090	11,003,198	7,090,430
Interest on defined benefit obligation	391,426	252,859	1,892,300	1,184,149
Expected return on plan assets		-		-
Net actuarial losses/(gains) recognized in the year	2,132,635	1,408,943	(1,485,138)	1,749,317
Past service cost		-		1,866,428
Transfer In		-		1,700,504
Losses/(Gains) on "Curtailements & Settlements"		-		-
<b>Total included in "Employee benefit expense"</b>	<b>6,422,166</b>	<b>2,841,892</b>	<b>11,410,360</b>	<b>13,590,828</b>
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance sheet</b>				
<b>Details of provision</b>				
Present value of obligations	11,700,297	6,200,635	37,979,402	28,923,635
Fair value of plan assets	-	-	-	-
Unrecognized past service cost	-	-	-	-
<b>Net liability</b>	<b>11,700,297</b>	<b>6,200,635</b>	<b>37,979,402</b>	<b>28,923,635</b>
<b>Amounts in balance sheet</b>				
Liabilities	11,700,297	6,200,635	37,979,402	28,923,635
Assets	-	-	-	-
<b>Net liability</b>	<b>11,700,297</b>	<b>6,200,635</b>	<b>37,979,402</b>	<b>28,923,635</b>
<b>Changes in the present value of the defined benefit obligation are as follows</b>				
<b>Opening defined benefit obligation</b>	<b>6,200,635</b>	<b>4,056,480</b>	<b>28,923,635</b>	<b>19,392,973</b>
Current service cost	3,898,105	1,180,090	11,003,198	7,090,430
Interest cost	391,426	252,859	1,892,300	1,184,149
Actuarial losses/ (gains)	2,132,635	1,408,943	(1,485,138)	1,749,317
Past service cost*		-		1,866,428
Transfer in*		-		1,700,504
Benefits paid	(922,503)	(697,737)	(2,354,593)	(4,060,166)
<b>Closing defined benefit obligation</b>	<b>11,700,298</b>	<b>6,200,635</b>	<b>37,979,402</b>	<b>28,923,635</b>
<b>Changes in the fair value of plan assets are as follows</b>				
<b>Opening fair value of plan assets</b>				
Expected return on plan assets	-	-	-	-
Actuarial gains/ (losses)	-	-	-	-
Assets distributed on settlements		-		-
Contributions	922,503	697,737	2,354,593	4,060,166
Benefits paid	(922,503)	(697,737)	(2,354,593)	(4,060,166)
<b>Closing fair value of plan assets</b>				



**AXIS ASSET MANAGEMENT COMPANY LIMITED**

**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018**

Particulars	Unfunded Leave encashment		Unfunded Gratuity/Exgratia	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Experience adjustments				
Experience adjustments on plan liabilities	-	-	-	-
Experience adjustments on plan assets	-	-	-	-
Actuarial (gain) loss on Obligation	-	-	-	-
Experience Adjustment	1,713,047	941,496	(3,210,743)	(379,304)
Assumption Change	419,588	467,447	17,25,605	2,128,621

Particulars	31-Mar-18	31-Mar-17
<b>Principal actuarial assumptions at the balance sheet date</b>		
Discount rate	7.50%	6.82% p.a.
Expected rate of return on plan assets	N/A	N/A
Average salary of employees	₹ 29,019 P.M	₹26,251 p.m.
Salary escalation rate	12%	9% p.a.
Employee attrition	10% (Manager & above)&20% (Other)p.a.	10% (Manager & above)&20% (Other)p.a.
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
Retirement	60yrs	60yrs
Disability	nil	nil

Leave encashment :-

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Defined Benefit Obligations	11,700,297	6,200,635	4,056,480	3,094,843	-
Plan Assets		-	-	-	-
Surplus/(Deficit)	11,700,297	6,200,635	4,056,480	3,094,843	-
Experience adjustment :			-	-	-
Gain/ (losses) on plan liabilities	1,713,047	941,496	(363,662)	-	-

Gratuity :-

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Defined Benefit Obligations	37,979,402	28,923,635	19,392,973	14,881,988	10,610,695
Plan Assets			-	-	-
Surplus/(Deficit)	37,979,402	28,923,635	19,392,973	14,881,988	10,610,695
Experience adjustment :			-	-	-
Gain/ (losses) on plan liabilities	(3,210,743)	(379,304)	1,444,152	1,148,037	(2,151,331)

\*In March 2017, Exgratia was payable to employees who had previously been employed by another group company and had been supporting the activities of the Company. These employees are now taken on employment by the Company. Exgratia amount is payable to these employees in accordance with the employment policy of the company, on completion of required tenure. Service period for the purpose of computation of exgratia is considered from the date of joining of the employees on the rolls of the group company. Liability has been provided on the basis of actuarial valuation. Amounts presented in the above table, under the head Past Service Cost and Transfer In are towards non statutory ex-gratia liability payable to employees who have been so transferred.



## AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018

### 23. Operating leases

The Company has entered into non-cancelable leasing arrangements for certain premises. These leases have an average life of between 3 to 9 years.

The future lease payments in respect of the above are as follows:

Particulars	Amount (₹)	
	March 31, 2018	March 31, 2017
Not later than one year	35,506,694	33,338,130
Later than one year but not later than five years	131,685,946	101,283,122
Later than five years	2,666,004	26,111,213

The total lease payments recognized in the statement of Profit and Loss Account amounts to ₹ 63,421,622/- (Previous year ₹71,183,854).

### 24. Earnings per share

The numerators and denominators used to calculate basic and diluted earnings per share

Particulars	Amount (₹)	
	March 31, 2018	March 31, 2017
(a) Nominal value of an Equity share (₹)	10	10
(b) Net profit available to Equity shareholders (₹)	430,118,474	569,579,426
(c) Weighted average number of shares outstanding	210,111,112	210,111,112
(d) Basic and Diluted EPS (₹) = (b)/ (c)	2.05	2.71

### 25. Segment reporting

The company's operations predominantly relate to providing Asset Management Services.

The company has no separate reportable business segment in accordance with the Accounting Standard on "Segment Reporting" (AS-17) notified under section 133 of the companies Act,2013.

Since companies operations are within India secondary segment reporting is not applicable.

### 26. Related party transactions

As per the Accounting Standard on "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

A) Holding Company	: Axis Bank Limited
B) Fellow Subsidiaries	: Axis Capital Limited
	: Axis Securities Limited
	: Axis Trustee Services Limited
C) Significant Share Holder	: Schroder Singapore Holdings Private Limited (SSHPL) is a wholly owned subsidiary of Schroder Investment Management (Singapore) Limited (SIMSL)
D) Key Management Personnel	: Mr. Chandresh Kumar Nigam (MD & CEO)
	: Mr. Gopal Menon (COO & CFO)
	: Mr. Nilesh Pednekar (Company secretary)
	: Mr. Lalit Taparia (Company secretary)



Particulars	Holding Co.		Significant Share Holder		Fellow Subsidiary				Total for fellow Subsidiaries	
	Axis Bank Limited		SIMSLS/SSHPL & SIMAL		Axis Securities Ltd.		Axis Capital Ltd.		Axis Trustee Services Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INCOME:- Investment Advisory fees Offshore (SIMSLS/SIMAL)			136,659,673	65,203,706						
EXPENDITURE										
Mutual Fund - Brokerage (amortised value)#	2,579,054,200	1,616,452,313	-	-	21,282,146	13,819,446	81,408	758,392	21,363,555	14,577,838
AIF - Brokerage & Set up fees \$	21,542,252	-	-	-	-	-	-	-	-	-
PMS - Brokerage & Set up fees \$	26,878,574	3,007,450	-	-	-	-	-	-	-	-
PMS - FA/R&T/CCL fees	2,535,174	657,358	-	-	-	-	200,000	-	200,000	-
One time acceptance fee for Axis AIF	-	-	-	-	-	-	-	-	-	-
Bank Charges	1,078,113	753,328	-	-	-	-	-	-	-	-
Rent Expenses - worli	28,818,409	29,551,685	-	-	-	-	-	-	-	-
Facilities Expenses	8,266,707	9,428,085	-	-	748,783	1,794,862	-	-	748,783	1,794,862
Outsourced services cost	-	-	-	-	1,506,524	200,000	-	-	1,506,524	200,000
Advertisement cost	-	-	-	-	-	-	-	-	-	-
REIMBURSEMENT PAID BY AMC TO/HARDS										
Administrative & Other Expenses	22,189,068	26,861,709	-	-	-	-	-	-	-	-
Travelling Expenses	-	-	-	-	-	-	-	-	-	-
REIMBURSEMENT RECOVERED BY AMC TOWARDS										
Investor Compensation	62,181	38,328	844,991	-	-	-	-	-	-	-
Travelling Expenses	-	-	-	-	-	-	-	-	-	-
Reimbursement of TDS on ESOP *	-	-	-	-	-	-	-	-	-	-
ASSETS										
Current account balance [Bal as per Bank Rs.44,13,976.29 (Previous Year Rs.11,264,734.18) as on Mar 31, 2018]	(227,030,313)	1,763,958	-	-	-	-	-	-	-	-
Receivable	-	-	17,428,203	9,383,616	-	-	-	-	-	-
LIABILITIES										
Equity Share Capital contribution:										
Opening Balance	1,575,833,330	1,575,833,330	525,277,790	525,277,790	-	-	-	-	-	-
Share capital infused during the year	-	-	-	-	-	-	-	-	-	-
Share capital sold during the year	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,575,833,330	1,575,833,330	525,277,790	525,277,790	-	-	-	-	-	-
Sundry Creditors / (Receivable) towards	216,666,672	216,666,672	72,222,224	72,222,224	-	-	-	-	-	-
- Expenses (net)	67,766,621	21,437,292	-	-	63,700	78,750	-	-	63,700	78,750
- Brokerage	266,886,380	470,917,629	-	-	2,996,031	1,545,715	-	-	2,996,031	1,545,715

\* Note:- Axis Bank Ltd. had granted ESOPs to certain employees of company. TDS on ESOPs prerequisites of Rs.44,84,293 is routed through the company for payment into government treasury.

# Note:- Total brokerage for F.Y.2017-18 in AM:- books for Axis Bank Ltd - Rs.232,90,85,122/-, Axis Securities Ltd - Rs.2,25,40,444/- and Axis Capital Ltd.- NIL

§ Note:- Total brokerag for PMS for F.Y.2017-18 in AMC books Rs.6,52,13,735/- & for AIF Rs.5,10,26,875/-

Other related party transaction :-	March 31, 2018	March 31, 2017
Remuneration to Key Managerial Personnel**		
Mr. Chandresh Kumar Nigam (MD & CEO)	86,184,738	56,981,714
Mr. Gopal Menon (COO & CFO)	208,40,153	10,618,411
Mr. Nilesh Pednekar (Company secretary, upto 28 Aug 2017)	1,209,340.00	1,452,120
Mr. Lalit Tapria (Company secretary w.e.f. 24 Oct 2017)	1,179,770.00	-

\*\*Includes Basic, HRA, Performance bonus & other allowances & excluding provision for gratuity and compensated absences. Performance bonus and Long term incentive plan are included on payment basis



**AXIS ASSET MANAGEMENT COMPANY LIMITED**

**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2017**

27. Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 is given below:

a) Income in Foreign Currency- ₹ 137,504,664/- (Previous year: ₹ 65,203,706) (on accrual basis)

Particulars	March 31, 2018	March 31, 2017
Advisory Fees	136,659,673	65,203,706
Reimbursement of Traveling Expenses	844,991	-

b) Payments in foreign currency (on accrual basis)

Particulars	March 31, 2018	March 31, 2017
Travelling, lodging and conveyance	667,326	159,917
Scheme expenses	-	2,252,085
Scheme expenses Marketing	18,646	135,656
Data online, Computer & Software related cost	260,882	727,006
IT-Related Cost	152,294	-
Total	1,099,148	3,274,664

28. The gross amount require to be spent by the company during the year towards Corporate Social Responsibilities as per section 135(5) of the Companies Act, 2013 was ₹6,544,428/- (Previous year ₹.27,86,391-). Out of the same an amount of ₹.6,544,428/- was spent during the year (Previous year ₹.2,786,391/-) for the purpose other than construction/acquisition of any assets.

29. Unhedged foreign currency exposure:

	March 31, 2018		March 31, 2017	
	Foreign currency	INR	Foreign currency	INR
<b>Advisory fees receivables</b>				
USD	202,345.74	13,160,566	91,638.38	5,941,832
AUD	85,318.61	4,267,637	69,460.82	3,441,784
<b>Reimbursement of travelling expensed</b>				
USD	13,002.36	844,991		

30. Provisions :

In compliance with Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" notified under section 133 of the Companies Act, 2013, balance under provision for contingencies amounting to ₹ 48,801,902/- (Previous year ₹ 23,004,782/-) represents provisions against all contingencies in open matters with regulators with regards to the fund.

Movement in provision for contingencies account during the year is as under:

Carrying amount as on April 1, 2017	Additions during the year	Amounts paid/reversed during the year	Carrying amount as on March 31, 2018
23,004,782	25,797,120	-	48,801,902



**AXIS ASSET MANAGEMENT COMPANY LIMITED**

**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2018**

31. Figures have rounded off to the nearest rupee and previous year figures have been regrouped recast and restated wherever necessary.

As per our report attached of even date

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration  
No.103523W /W100048

  
Purushottam Nyati  
Partner  
Membership No.118970



For and on behalf of the Board

  
Shikha Sharma  
Chairperson  
DIN:00043265

  
Gopal Menon  
COO & CFO

  
U R Bhat  
Director  
DIN:00008425

  
Chandresh Kumar Nigam  
Managing Director & CEO  
DIN:00498968

  
Lalit Taparia  
Company Secretary

Mumbai, April 16, 2018

Mumbai, April 16, 2018

