

DIRECTORS' REPORT

DEAR MEMBERS,

The Directors are pleased to present the Thirteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

FINANCIAL PERFORMANCE:

During the year, the Company achieved a total income of Rs.243 crores.

The Financial Results of the Company for the year ended 31st March 2019 are given below:

Particulars	2018-2019		2017 – 2018	
	Amount Rs. Crores	in in	Amount Rs. Crores	in in
Operating Income(A)	214.4		402.30	
Interest Income on Fixed Deposits and Miscellaneous Income (B)	28.6		30.4	
Total Income (A)+(B)	243.0		432.7	
Operating Expenses	147.0		219.7	
Profit/(Loss) before Depreciation, provisions for tax & Write Back/Off	96.0		213.0	
Depreciation	0.6		0.4	
Less: Short /Excess Provision of earlier years Written off/ Written Back	-1.0		-1.8	
Provision for Tax	32.8		75.6	
Profit / (Loss) After Tax	63.6		138.8	
Balance carried to Balance Sheet	63.6		138.8	



Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")

SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.

CIN No. U51900MH2005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &

Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.

Tel.: (022) 4325 1199, Fax No. (022) 4325 3000, Website: www.axiscapital.co.in

TRANSFER TO RESERVES

During the year under review, the Company did not transfer any amount to the Reserve.

BUSINESS OVERVIEW AND REVIEW OF OPERATIONS

OPERATIONS

Your Company is presently engaged in two lines of business, namely Investment Banking and Institutional Equities.

Investment Banking

- FY19 has been an eventful year with lots of ups and downs attributed to both local and global factors. While the year started with a strong note there was a temporary aberration in the second half of the year due to the IL&FS debacle and associated NBFC crisis.
- Volatility in the stock markets on account of several macro headwinds has been a major contributor to inactivity in the primary markets. Fund raising on account of IPO reduced to INR 19,438 cr (15 IPOs) in FY2019 from the highs of INR 81,553 cr (45 IPOs) in FY2018. In spite of the muted primary market activity, Axis Capital's Investment Banking division completed 34 transactions across Equity Capital Markets (ECM) (22 transactions) and Advisory businesses (12 transactions). These include IPOs, QIPs, OFS, Rights Issues, Buybacks, Open Offer, Blocks, M&A, Private Equity and Structured Finance.

Axis Capital completed 22 ECM transactions during the year (versus 35 last year) including 4 IPOs, 1 QIP, 6 OFS, 1 Preferential Issuances, 2 Rights, 4 Buybacks and 4 Blocks. We did the highest number of OFS transactions by any Investment Bank in India. We also maintained our dominance in domestic ECM market with a fee market share of ~11%. Some of the marquee completed transactions for the year include IPOs of HDFC AMC, Chalet Hotels, REIT IPO of Embassy Office Parks, OFS Of Endurance Technologies and multiple OFS' transactions from L&T group,



Preferential Allotment in Inox Leisure, Rights Issue of Max Ventures and Industries, and Buybacks of Redington and DB Corp.

- Our marketing and regulatory teams did an outstanding job across deals. We outbid competition on procurement across investor categories and were the no. 1 institutional procurer in almost all of our deals including IPOs and OFSs. Given our regulatory expertise and experience, we continued to be one of the preferred left lead bankers.
- During the year, we closed 2 Private Equity transactions. The transaction involves stake sale in NSDL by Axis Bank and advisor to Northern Arc Capital for a composite Private Equity transaction.
- The M&A and advisory practice closed 10 transactions – notable among these were Advisors to L&T for acquiring a significant minority stake in Mindtree and making an open offer, Exclusive financial advisor to Kesoram Industries Ltd for demerger of its tyre division, Advisor to GSK Consumer Healthcare Ltd for merger with Hindustan Unilever Ltd, Advisor to UltraTech Cement for its acquisition of Century Textiles and Industries Ltd's cement business. Axis Capital also closed its first deal in collaboration with RW Baird and Co., Axis Capital's exclusive transaction partner – Cox and Kings Ltd.'s divestment of its education business, HB Education Ltd. to Midlothian Capital Partners.
- During the year, the Structured Finance team worked on 2 new transactions, unfortunately the closure of which has moved to FY2020 – and also unwound most of our outstanding obligations.

Institutional Equities

- FY19 was a year of significant volatility and in spite of such volatility Nifty rose by nearly 15%. Once again FY19 was the year of the domestic mutual funds in the Indian Equity markets – they pumped in more than INR 90,000 crores. While the net FII flow in the cash equity markets during the entire year was a paltry INR 11 crores



they have begun to aggressively invest from the very beginning of January '19. Since the beginning of January FIIs have pumped in >INR 48,000 crores while the MF net investments has been a muted at less than INR 1,600 crs. In fact MFs were net sellers in March 2019. Insurance companies have been net sellers during the entire year.

- Institutional activity remained muted during the year – their total volumes was almost stagnant during FY19. Against that the Company's institutional volumes slipped by 4% and therefore the market share has slipped by ~7 bps, However as your Company has extremely limited volumes in the low touch DMA business we estimate our institutional revenue market share has moved up by ~17 bps.
- While volumes moved up commission rates continued to fall – this time particularly in the FII segment due to the adoption of MIFID II rules by all the European and many of the global accounts. And institutions continue to move an ever greater part of their volumes through low touch low commission rate DMA. Axis Capital introduced the DMA service in December 2018 and we now have 3 domestic institutions that have taken up this offering. We expect more institutions to take up this offering in FY20. During FY19 even the domestic institutions started paring down commission rates. Net commission yields on the institutional equities both for the market and for Axis Capital we estimate has fallen by about 20% from the previous year.
- During the year we helped in the successful closure of 22 ECM transactions during the year including IPOs, QIPs, IPPs, Buybacks, Right Issues, OFS' and Preferential Offers. In almost all of our ECM transactions we outsold competition. As a part of the One Axis effort Axis Capital helped close the "Kerala Infrastructure Investment Fund Board" Masala Bond Offering of US\$310m
- In addition we have added more than 60 marquee institutional accounts (covering more than 700 sub accounts) and they would help us garner greater volumes and revenues next year



DIVIDEND

For the financial year 2018-19, the Board of Directors had recommended a Dividend at the rate of Rs.4.50/- (previous year Rs.16/-) per equity share of Rs. 10/- each, absorbing a sum of Rs.33.08 Crores (previous year Rs.117.6 Crores) towards dividend amount and Rs.6.8 Crores (previous year Rs.24.2 Crores) towards Dividend Distribution Tax. The Dividend, if declared by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2018-19.

SUBSIDIARIES:

As on March 31, 2019, the Company has 01 subsidiary set up in the in United States of America viz. Axis Capital USA LLC. The Subsidiary Company proposes to seek registration as Broker Dealer after obtaining all the requisite Regulatory approvals. The Company has applied to the Regulatory Authority seeking registration, which is awaited. The salient features of the financial statement of Subsidiary Company for the year ended 31stMarch, 2019, is given in Form AOC-1 (Annexure 'A') which forms part of this Report.

Further, the Financial Statement of Axis Capital USA LLC is not required to be consolidated, being Subsidiary Company incorporated outside India, as specified under Rule 6 of the Companies (Accounts) Rules, 2014.

MATERIAL CHANGE AND COMMITMENT

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as provided under sub-section (3) of Section – 92 of the Companies Act, 2013 in Form - MGT 9 is enclosed



herewith as Annexure 'B'. Copy of the Annual Return is also placed on the website of the Company at www.axiscapital.co.in

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

In terms of the information required under Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, it is to be noted that there is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK

Risk Management is a key function in the Company. Real-time monitoring of overall exposure of the Company is required from the point of view of Risk Control. In volatile markets, robust Risk Management policies are must. The Company has adopted a robust risk management framework and the same is subject to periodic review by the Risk Management Committee of the Board, Group Level and at the Board of Directors level.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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



VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

The Policy is to provide framework for an effective vigil mechanism and to provide protection to employees or directors reporting genuine concerns. Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities.

DIRECTORS

The Board of Directors, along with its Committees provide leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board of the Company commensurate with the its size and business operations. In addition to the governance practices, the Board lays strong emphasis on transparency, accountability and integrity. At present, the Board strength is seven (7) Directors comprising of two (2) Executive Directors, two (2) Non-Executive Directors, representing shareholders and three (3) Independent Non-Executive Directors.



- **Composition of the Board of the Company:**

Name of the Director(s)	Category
Mr. Amitabh Chaudhry	Additional Director- Chairman (Non- Executive)
Mr. Salil Pitale	Additional Director - Jt. MD & CEO
Mr. Chirag Negandhi	Additional Director - Jt. MD & CEO
Prof. Samir Barua	Director (Independent)
Mr. Bahram Navroz Vakil	Director (Independent)
Ms. Sutapa Banerjee	Additional Director (Independent)
Mr. Rajiv Anand	Additional Director (Non- Executive)

During the year under review, there were following changes to the constitution of Board of Directors of the Company:

Resignations from the Board

- Ms. Shikha Sharma, Chairperson resigned w.e.f 31.12.2018
- Mr. V. Srinivasan, Non-Executive Director resigned w.e.f 01.01.2019
- Mr. Manish Chokhani, Independent Director w.e.f 23.10.2018
- Mr. Dharmesh Mehta, MD & CEO of the Company w.e.f 04.12.2018.

Appointments as additional Director in the Board:

- Mr. Amitabh Chaudhry (DIN 00531120), MD& CEO of Axis Bank Ltd was appointed as Additional Director (Non- Executive) w.e.f 17.01.2019 and has replaced Ms. Shikha Sharma as Chairman of the Board. He holds the office up to the date of the ensuing Annual General Meeting of the Company.
- Mr. Rajiv Anand (DIN 02541753), Executive Director of Axis Bank Ltd has been appointed to replace Mr. V. Srinivasan. He was appointed as Additional Director (Non- Executive) w.e.f 17.01.2019. He holds the office up to the date of the ensuing Annual General Meeting of the Company.

- Mr. Salil Pitale (DIN 07824218) and Mr. Chirag Negandhi (DIN 06988113) were appointed as Additional Directors w.e.f 04.12.2018. Further, from the same date, upon recommendation of the Nomination & Remuneration Committee, but subject to approval of Members each of them were appointed as Whole-time Director to replace Mr. Dharmesh Mehta and designated as Joint Managing director & Co-CEO, for a period of 3 years. Mr. Pitale and Mr. Negandhi holds the office up to the date of the ensuing Annual General Meeting of the Company.
- Ms. Sutapa Banerjee (DIN 02844650) has been appointed as Additional Director w.e.f 17.01.2019 under category of Independent and Woman Director on the Board for a period of 5 years, subject to approval of the Members. She holds the office up to the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under Section 160 of the Act from a member proposing the candidature of each of Mr. Amitabh Chaudhry, Mr. Rajiv Anand, Mr. Salil Pitale, Mr. Chirag Negandhi and Ms. Sutapa Banerjee for appointing each of them as Director.

A brief profile and other details as required under the Act, Secretarial Standard- 2 of the Directors proposed to be appointed is annexed to the notice convening AGM.

Director's retiring by rotation- As on March 31, 2019, the Board consists of three (3) Independent Directors, who are not liable to retire by rotation and two (2) Executive & two (2) Non- Executive Directors who were appointed as additional directors during the months of Dec. 2018 & Jan. 2019. Hence, at the forthcoming AGM, none of the Directors will require to be liable to retire by rotation.

PARTICULARS OF MEETINGS

- **Meetings of the Board of Directors:**

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board including circulation of agenda and notes



thereof as well as presentations on financials and other critical areas of operations of the company. The Board is also kept informed of major events/items and approvals are being taken wherever necessary. The Jt. Managing Directors & CEOs, at the Board Meetings keeps the Board apprised of the overall performance of the Company at such meetings. The Board also takes decisions by circular resolutions which are noted by the Board at the subsequent meeting.

During the financial year 2018-19, the Company held 5 (five) meetings of the Board of Directors as per Section 173 of Companies Act, 2013. These were held on April 13, 2018, May 16, 2018, July 13, 2018, October 22, 2018, & January 29, 2019. The provisions of Companies Act, 2013 were adhered to while considering the time gap between any two meetings.

Attendance of the directors during FY2019 is as under:

Name of the Director	Category of Director	Attendance at the last AGM held on June 29, 2018	Dates of Board meetings and attendance of the directors					
			April 13, 2018	May 16, 2018	July 13, 2018	Oct 22, 2018	Dec 04, 2018	Jan 28, 2019
Ms. Shikha Sharma*	Non-Executive	Present	Present	Present	Present	Present	Present	NA
Mr. V. Srinivasan*	Non-Executive	Present	Present	Present	Present	Present	Present	NA
Mr. Manish Chokhani*	Independent	Not Present	Present	Present	Present	Present	Present	NA
Mr. Dharmesh Mehta*	Executive	Present	Present	Present	Present	Present	Present	NA
Mr. Amitabh Chaudhry\$	Non-Executive	NA	NA	NA	NA	NA	NA	NA
Mr. Salil Pitale\$	Executive	NA	NA	NA	NA	NA	NA	Present
Mr. Chirag Negandhi\$	Executive	NA	NA	NA	NA	NA	NA	Present
Prof. Samir Barua	Independent	Present	Present	Present	Present	Present	Present	Present
Mr. Bahram Navroz Vakil	Independent	Present	Present	Present	Present	Present	Present	Present
Ms. Sutapa Banerjee\$	Independent	NA	NA	NA	NA	NA	NA	Present
Mr. Rajiv Anand\$	Non-Executive	NA	NA	NA	NA	NA	NA	Present

*- Resigned, \$- Additional Directors retiring at the forth-coming AGM



- **Meeting of Independent Directors:**

A separate meeting of Independent Directors of the Company was held on March 15, 2019 without the presence of the Whole-time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel to evaluate the performance of the non-independent Directors, Board and that of the Chairman.

BOARD COMMITTEES

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and the Company's internal corporate governance requirements, the Board has constituted various Committees with specific terms of reference to focus on specific issues and ensure expedient resolution on diverse matters.

These include the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Risk Management Committee. The matters pertaining to financial results and auditors report are taken care of by the Audit Committee and those pertaining to nomination / remuneration of Key Executives and Directors are within the realms of, Nomination and Remuneration Committee. The Corporate Social Responsibility (CSR) Committee, focuses on compliance of CSR policy and framework by the Company and monitors the expenditure to be incurred by the Company. The Risk Management Committee manages the integrated risk and further oversee the Risk Management function of the Company. Additionally, the Company has also constituted an Internal Complaints Committee in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Committees also take decisions by way of circular resolution which is noted by the respective Committee at its next meeting.

The Company Secretary acts as the Secretary for all the aforementioned Committees. The minutes of the meetings of all Committees along with summary of key decision/discussion taken at each Committee, is placed before the Board for discussion / noting /approval.



The table below provides a snap shot of the Board and committee composition as on March 31, 2019:

Board and committee composition as on March 31, 2019					
Name	Board	Audit committee	CSR committee	Nomination and Remuneration committee	Risk Management committee
Mr. Amitabh Chaudhry	C				
Mr. Salil Pitale	M				
Mr. Chirag Negandhi	M				
Prof. Samir Barua	M	C		C	C
Mr. Bahram Navroz Vakil	M	M	C	M	M
Ms. Sutapa Banerjee	M				
Mr. Rajiv Anand	M				

C – Chairman/Chairperson, M – Member

- i) **Audit Committee** - The Audit Committee was constituted on April 14, 2014 and last re-constituted on April 11, 2019. On account of the resignation of Mr. Dharmesh Mehta in December, 2018, as on March 31, 2019, the Audit Committee comprised of 2 members, of which both were independent directors. During the financial year 2018-19, the committee held 3 (three) meetings. These were held on April 13, 2018, October 22, 2018, & January 29, 2019.

Name of the Director	Dates of meetings and attendance by the members			% of attendance
	April 13, 2018	October 22, 2018	January 28, 2019	
Prof. Samir Barua	Present	Present	Present	100%
Mr. Manish Chokani*	Present	Present	NA	100%
Mr. Dharmesh Mehta*	Present	Present	NA	100%
Mr. Bahram Vakil\$	NA	NA	Present	100%

*- Resigned, \$- Appointed w.e.f. [●]

- ii) **Nomination and Remuneration Committee** - The Nomination and Remuneration Committee was constituted on April 14, 2014 and last re-constituted on April 11, 2019. On account of the resignation of Mr. Dharmesh Mehta, as on March 31, 2019, the Nomination and Remuneration Committee



comprised of 2 members, of which 2 were independent directors. The Chairman of the committee is an independent director. During the financial year 2018-19, the committee held 2 meetings. These were held on 16.05.2018 & 04.12.2018

Name of the Director	Dates of meetings and attendance by the members		% of attendance
	May 16, 2018	Dec 04, 2018	
Prof. Samir Barua	Present	Present	100%
Mr. Bahram Vakil	Present	Present	100%

- iii) **Risk Management Committee** - The Risk Management Committee of the Company was constituted on April 14, 2014 and last re-constituted on April 11, 2019. As on March 31, 2019, the Risk Management committee comprised of 2 members. During the financial year 2018-19, no meeting of the committee was held.
- iv) **CSR Committee** - The CSR Committee was constituted on April 14, 2014 and last reconstituted on April 11, 2019. On account of the resignation of Mr.Dharmesh Mehta as on March 31, 2019, the committee comprised of one member, namely Mr. Bahram Vakil. During the financial year 2018-19, the committee met on one occasion i.e.; on March 26, 2019.
- v) **Internal Complaints Committee-** In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act") the Board had constituted the Central Internal Complaints Committee (CICC) on April 13, 2018. This committee shall also function as the local committee until other Local Complaint Committees (LCC). Both the CICC and the LCC shall be headed by a woman and not less than half of its members shall be women. As per law mandate, the Company has empanelled an External Member who is familiar with the issue of sexual harassment at work place. A quorum of 50% of CICC Members is required, including the Presiding Officer to be present for the proceedings to take place.

The terms of reference of the Internal Complaints Committee inter-alia includes:

- (a) conducting an inquiry into complaints made by any aggrieved at the workplace;



- (b) arriving at a conclusion as to whether the allegation against whom the complaint has been filed was proved or not; and
- (c) take necessary actions to resolve the complaint(s).

The Board confirm that during the year under review, the Company did not receive any sexual harassment complaints.

KEY MANAGERIAL PERSONNEL

Mr. Salil Pitale – Joint Managing Director & Co Chief Executive Officer, Mr. Chirag Negandhi – Joint Managing Director & Co Chief Executive Officer, Mr. Natarajan Mahadevan – Company Secretary & Compliance Officer and Mr. Neelesh Baheti- Chief Financial Officer are the Key Managerial Personnel of the Company in terms of Section 203 of the Act.

A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF DIRECTORS.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance and that of its committees and individual Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out by feedback survey from each director covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6)

All Independent Directors have confirmed to the Board that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

SHARE CAPITAL:

During the year, there was no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company. There has been no change in the issued and paid up capital after March 31, 2019 till the date of this report. The Company continues to remain the wholly owned subsidiary of Axis Bank Limited, there is therefore no change in the shareholding pattern of the Company during the year under review.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOWS

Information as per Section 134(3)(m) of the Companies Act, 2013 relating to the Conservation of Energy and Technology Absorption is not given since the Company is not engaged in any manufacturing activity. There is no foreign technology involved/ absorbed.

During the year under review, the Company has earned Foreign Exchange of Rs. 30.24 Crores. The Company had incurred total expenditure in Foreign Exchange of Rs. 6.28



Crores The capital contribution in Company's Foreign Subsidiary Company viz. Axis Capital USA LLC is Rs. 4.96 Crores March 31, 2019.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

Information as per Section 134(3)(g) of the Companies Act, 2013, relating to the Particulars of Loans, Guarantees or Investment under Section 186 is not applicable to the Company as it has not made any loans, guarantees and investments covered under Section 186 of the Act.

PARTICULARS OF CONTRACTS, OR ARRANGEMENTS WITH RELATED PARTIES UNDER SUB-SECTION (1) OF SECTION 188

Information as per Section 134(3)(h) of the Companies Act, 2013 relating to the particulars of contracts, or arrangements with related parties under Sub-Section (1) of Section 188 is annexed as Annexure 'C' to this report in terms of the requirements. 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 are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee.

None of the Directors have any pecuniary relationship or transactions vis-à-vis the Company.



CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. The CSR Policy of the Company, inter alia, lists the activities that can be undertaken or supported by the Company for CSR, composition and meetings of CSR Committee, details of existing charitable trusts within the Axis Group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/ implementation of CSR activities and the monitoring mechanism of CSR activities/projects. The CSR policy is made available on the Company's website at www.axiscapital.co.in

The Company has contributed Rs.3.79 Crores (being two (2) percent of the average net profit of the Company in the immediately three preceding financial years calculated as per Section 198 of the Act) towards CSR expenditure in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are in accordance with Schedule VII of the Companies Act, 2013. The details of Projects undertaken are attached herewith as Annexure 'D' and forms part of this Report.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time. The policy shall apply to all Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management. The Policy laid down the roles of the Committee, criterion for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The details whereof are attached herewith as Annexure 'E'. The Nomination and Remuneration policy is made available on the Company's website at www.axiscapital.co.in

In terms of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures



with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided at Annexure G to this Report.

In terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the Members at the Registered Office of the Company during business hours on working days. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Company. The Board hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished relating to material departures.
- ii. Accounting policies have been selected and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March 2019.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts of the Company have been prepared on a going concern basis.



- v. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCES

1. The Balance Sheet and Statement of Profit and Loss for the period under review are revised as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.
2. The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

AUDITORS

i. **STATUTORY AUDITORS:**

M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, FRN-103523W/W100048, were appointed as the Statutory Auditors for a period of 5 years i.e. from the conclusion of 11th Annual General Meeting till the conclusion of 16th Annual General Meeting, subject to ratification by Members at every subsequent Annual General Meeting held thereafter. The Board recommends ratification of their appointment to the members of the Company. The resolution ratifying their appointment will be placed before the shareholders at the ensuing Annual General Meeting.

OBSERVATIONS OF STATUTORY AUDITORS

The observations/ qualifications/ disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March, 2019 read with the explanatory notes therein are self-explanatory and therefore do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.



**DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)
OF THE COMPANIES ACT, 2013:**

During the year under review, there were no incidences of frauds reported by Auditors.

ii. **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sandeep V. Walawalkar & Associates (UIN- S2016MH375200), Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the financial year under review. The Report of the Secretarial Audit Report is annexed herewith as Annexure 'F'.

OBSERVATIONS OF SECRETARIAL AUDIT REPORT

The observations/ qualifications/ disclaimers made by the Secretarial Auditor in their report for the financial year ended 31st March, 2019 are self-explanatory and therefore do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 (Annexure 'F' hereto)

iii. **INTERNAL AUDITOR**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s. S.K. Kamdar., Chartered Accountants, (FRN: 104674W) to undertake the Internal Audit of the Company for the financial year under review.



MAINTENANCE OF COST RECORDS

The provisions of Section 148 (1) of the Act relating to maintenance of cost records are not applicable to the Company during the year under review.

CORPORATE GOVERNANCE

The Company's policy on Corporate Governance has been:

- i. To enhance the long term interest of its Shareholders, provide good management, adopt prudent risk management techniques and comply with the applicable regulatory requirements, thereby safeguarding the interest of its other stakeholders such as customers, employees, creditors and vendors.
- ii. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented.
- iii. To also identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.

PREVENTION OF SEXUAL HARASSMENT

During the year under review, the Company had not received any complaint in respect of Sexual Harassment.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.



FUTURE OUTLOOK

- While investor sentiment for Indian equities has picked up amid renewed hopes for a second term for the ruling government, we expect the primary market for equity issues to only gather pace after election results.
- The commission rates look set to slide down further with many global houses having started unbundling research and execution. The execution only rates have fallen significantly for many accounts. MIFID now forces us to focus sharper on our research team and products. We have now added two senior and well rated analysts to our research team. Their addition will add to our research votes during the first half of the year and the impact on commissions will be apparent in the second half of the year. In addition, the Institutional Equities will derive benefits from our US Subsidiary for which the registration formalities are currently ongoing. In addition, we will both contribute to and benefit from the One Axis efforts. In tough times like these we will still aim for increased market share and improved block volumes to do better during FY19-20.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude for all the guidance and co-operation received from Axis Bank. Your Directors would like to place on record their gratitude and thanks to the esteemed clients, Bankers, Auditors, Central, State and Local Government Departments and Bodies for their continued support and co-operation.



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

For and on Behalf of the Board of Directors



.....
AMITABH CHAUDHRY
CHAIRMAN

DIN: 00531120

Place: Mumbai

Date: ..MAY.02, 2019



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(Information in respect of each subsidiary/ Associate Companies/ Joint Venture Companies to be presented with amounts in Rs)

Part "A": Subsidiaries

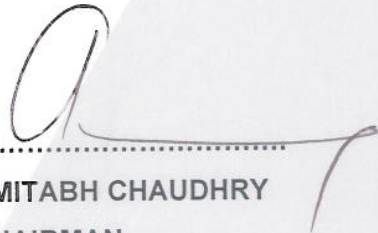
Sr. No.	Particulars	Particulars
1	Name of the subsidiary	Axis Capital USA LLC
2	The date since when subsidiary was acquired	02/08/2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD
5	Share capital	7,05,000
6	Reserves and Surplus	-1,70,490.82
7	Total Assets	5,95,035.15
8	Total Liabilities	5,95,035.15
9	Investments	5,50,297.70
10	Turnover	Nil
11	Profit before taxation	-1,14,095.23
12	Provision for taxation	Nil
13	Profit after taxation	-1,14,095.23
14	Proposed Dividend	Nil
15	% of shareholding	100%

Part "B": Associates

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

The Company does not have any Associate and Joint Venture Companies.

For and on Behalf of the Board of Directors



.....
AMITABH CHAUDHRY

CHAIRMAN

DIN: 00531120

Place: Mumbai

Date: ..May 03, 2019



AXIS CAPITAL LIMITED

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019**

[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:

S. No	Particulars	Details
i)	Corporate Identification Number	U51900MH2005PLC157853
ii)	Registration Date	06/02/2005
iii)	Name of the Company	Axis Capital Limited
iv)	Category / Sub-Category of the Company	Public company limited by shares and having share capital
v)	Address of the Registered office and contact details	Axis House, 8 th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025 Maharashtra, IN Tel- 022- 4325 1199 Fax- 022-4325 3000 Email – natarajan.mahadevan@axiscap.in Website – www.axiscap.in
vi)	Whether Shares are listed on Recognised Stock Exchange	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KARVY COMPUTERSHARE PVT. LTD. 17-24 Vithal Rao Nagar, Madhapur, Hyderabad- 500 081 Telangana, IN Tel- 040 – 4465 5265 Fax- 040 - 4465 5265 Email – ramchandra.v@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Merchant Banking	67110	52.04%
2	Stock Broking	67120	47.96%
3	Mutual Fund Advisory and Treasury	67190	0.00%

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 Add:	L65110GJ1993PLC020769	Holding	100*	Section 2(46)
2	Axis Capital USA LLC	File No. 6499349	Subsidiary	100	Section 2(87)

*Including 60 shares (0.000008%) held by individuals as Nominee of Axis Bank Limited (Beneficial ownership is with Axis Bank Limited)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	73500000	NIL	73500000	100%	73500000	NIL	73500000	100%	NIL
f) Any									
Other....									
Sub-total (A) (1):-	73500000	NIL	73500000	100%	73500000	NIL	73500000	100%	NIL
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	73500000	NIL	73500000	100%	73500000	NIL	73500000	100%	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies g) FII's h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions 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) Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				
Grand Total (A+B+C)	73500000				73500000				NIL

*Including 60 shares held by individual as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

**Being shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)



ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Axis Bank Limited	7,35,00,000*	100%	NIL	7,35,00,000*	100%	NIL	NIL
	Total	7,35,00,000	100%	NIL	7,35,00,000	100%	NIL	NIL

*Including 60 shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	*7,35,00,000	100	* 7,35,00,000	100
	At the End of the year	* 7,35,00,000	100	* 7,35,00,000	100

*Including 60 shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

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

Note- 100% shares are held by Axis Bank Limited, the holding Company including 60 shares held by individuals as Nominee of Axis Bank Limited (beneficial ownership of which is with Axis Bank.)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the Beginning of the year:					
1						
2		NIL				
3						
	At the End of the year:					
1						
2		NIL				
3						

Note -/ Decrease in Promoters Share holding during the years specifying the reasons for increase / decrease (e.g./transfer / bonus/ sweat equity etc):

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	19.46 Crores	Nil	Nil	19.46 Crores
<input type="checkbox"/> Addition				
<input type="checkbox"/> Reduction				
Net Change	19.46 Crores	Nil	Nil	19.46 Crores
Indebtedness at the end of the financial year				
i) Principal Amount	19.46 Crores	Nil	Nil	19.46 Crores
ii) Interest due but not paid	0.08 Crores	Nil	Nil	0.08 Crores
iii) Interest accrued but not due				
Total (i+ii+iii)	19.54 Crores	Nil	Nil	19.54 Crores

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs. In Lacs)
		Dharmesh Mehta	Salil Pitale	Chirag Negandhi	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	152.42	30.19	31.42	214.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
5	Others, please specify				
	Variable Incentives	155.71			155.71
		739.50			739.50
	Total (A)	1047.63	30.19	31.42	1109.24
	Ceiling as per the Act *10% of the net profit calculated as per Section 198				

B. Remuneration to other directors:

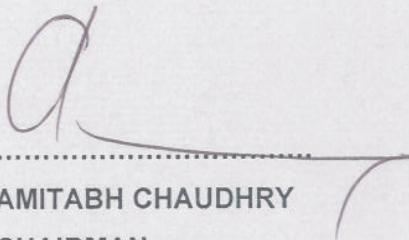
S. no.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Prof Samir Barua	Mr. Bahram Vakil	Ms. Sutapa Banerjee	Mr. Manish Chokani	
1.	Independent Directors					
	<input type="checkbox"/> Fee for attending board / committee meetings	5,50,000	5,00,000	50,000	3,50,000	14,50,000
	<input type="checkbox"/> Commission	Nil	Nil	Nil	Nil	
	<input type="checkbox"/> Others, please specify	Nil	Nil	Nil	Nil	
	Total (1)	5,50,000	5,00,000	50,000	3,50,000	14,50,000
2.	Other Non-Executive Directors					
	<input type="checkbox"/> Fee for attending board /	NONE				NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (Rs)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92,40,000	8,118,057	17,358,067
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit			
5	Others	12,291,523		12,291,523
	Total	21,531,523	8,118,057	29,649,580

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):
NONE**

For and on Behalf of the Board of Directors



**AMITABH CHAUDHRY
CHAIRMAN**

DIN: 00531120

Place: Mumbai

Date: MAY 02, 2019



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.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

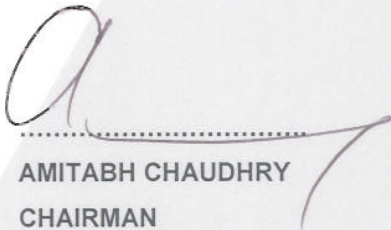
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. Axis Bank Limited (Holding Company) 2. Axis Securities Limited (Fellow Subsidiary Company) 3. Axis Finance Limited (Fellow Subsidiary Company) 4. Axis Trustee Services Limited (Fellow Subsidiary Company) 5. Axis Private Equity Limited (Fellow Subsidiary Company) 6. Axis Capital USA LLC (Subsidiary Company)

SL. No.	Particulars	Details
b)	Nature of contracts/arrangements/transaction	1 to 6. Availing and rendering services
c)	Duration of the contracts/arrangements/transaction	1. Continuous 2. Continuous 3. Non-recurring 4. Non-recurring 5. Non-recurring 6. Continuous
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Kindly refer to the Financial Statements
e)	Date of approval by the Board	Quarterly
f)	Amount paid as advances, if any	NIL

For and on Behalf of the Board of Directors



AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120

Place: Mumbai

Date: ...MAY 02, 2019...



ANNEXURE 'D'**ANNUAL REPORT ON CSR ACTIVITIES**

(As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility (CSR) is the Company's contribution to social and economic development of the local community in which we operate and to society at large. Your Company is committed to spend a minimum of 2% of the average net profits for the immediately preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities. Website of the Company to view policy: - www.axiscap.in

2. The Composition of the CSR Committee as on 31st March, 2019 consists of Mr. Bahram Vakil (Chairman). Pursuant of the reconstitution of the board, the committee was reconstituted on April 11, 2019.
3. Average net profit of the Company for last three financial years: INR. 189.5 Crores/-
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) 3.79 Crores
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year (2018-19); INR. 3.79 Crores/-
 - (b) Amount unspent, if any; INR Nil
 - (c) Manner in which the amount spent during the financial year is detailed below.


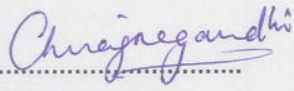
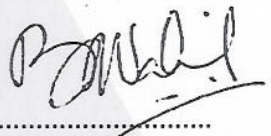


(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads : (1) Direct expenditure on projects or programs. (2) Overheads :	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1.	Social Welfare Programs of Axis Bank Foundation*	Sustainable Livelihood	Local Area	Rs. 3.79 Crores/-	1.Rs.3.79Crores/- 2. Over Heads: Rs. Nil/-	Rs.3.79 Crores/-	Rs.3.79 Crores/-
	TOTAL						Rs. 3.79/-

* Give details of implementing agency: Axis Bank Foundation has been setup as a Public Trust by Axis Bank as its CSR arm committed itself to undertake various socially relevant endeavors with a special vision & mission to eradicate poverty, providing sustainable livelihoods, education of the underprivileged, healthcare, sanitation, etc. (Social Welfare Programmes).

- 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. – NA.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

 SALIL PITALE JT. MD & CEO DIN:	 CHIRAG NEGANDHI JT. MD & CEO DIN:	 BAHRAM VAKIL CHAIRMAN CSR COMMITTEE DIN:
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Place: Mumbai

Date: MAY 03, 2019



NOMINATION & REMUNERATION POLICY**INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

OBJECTIVE

The Nomination and Remuneration/Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement and Guidelines of Reserve Bank of India. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:



- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.
- 1.9. To assist the Board in fulfilling responsibilities.
- 1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- a) Directors (Executive and Non Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel



DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“Senior Management” means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to



decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be



prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.



2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.



DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

REVIEW AND AMENDMENT

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.



ANNEXURE 'F'

SECRETARIAL AUDIT REPORT





SANDEEP V. WALAWALKAR & ASSOCIATES

Company Secretaries

To,

The Members,
Axis Capital Limited
CIN- U51900MH2005PLC157853
Axis House, Wadia International Centre,
P B Marg, Worli,
Mumbai 400025

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be read along with this letter.

Management's Responsibility

- The compliance of provisions of all laws, rules, regulations, standards applicable to Axis Capital Limited (the 'Company') is the responsibility of the management of the Company.
- Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company.

Auditor's Responsibility

- Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct.
- The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
- Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

Disclaimer

- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sandeep V. Walawalkar & Associates

Company Secretaries

UIN-S2016MH375200



Sandeep V. Walawalkar

Proprietor

FCS-9646, C.P. No. 16135

Date- 26th April, 2019

Place: Mumbai

9/173, Ekprastha, Chaitanya Nagar, Vakola Bridge, Santacruz (East), Mumbai-400 055

Email – cssandeep@svwassociates.co.in / walawalkarsv@gmail.com, Tel Nos. - +91 98207 62923, 88504 53983



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

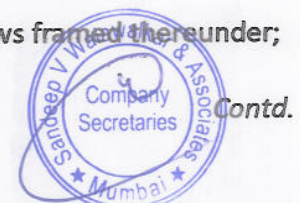
To
The Members,
Axis Capital Limited
CIN- U51900MH2005PLC157853
Axis House, Wadia International Centre,
P B Marg, Worli,
Mumbai 400025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axis Capital Limited (hereinafter called 'the Company') for the year ended on 31st March, 2019 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 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, Overseas Direct Investment and External Commercial Borrowings [Applicable only to the extent of Overseas Direct Investment for this financial year].
- (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 (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [Not Applicable during the financial year under review];
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];
 - (d) 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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review];
- (vi) The management has identified and confirmed the following laws as specifically applicable to the Company:
- (a) SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended;
 - (b) SEBI (Merchant Bankers) Regulations, 1992, as amended;
 - (c) Indian Stamp Act, 1899 and the State Stamp Acts, as amended



We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

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, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 where the same were given at shorter notice than seven days, prior consent thereof were obtained 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.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

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 the applicable laws, rules, regulations and guidelines.

We further report that –

During the audit period, there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Sandeep V. Walawalkar & Associates
Company Secretaries
UIN-S2016MH375200



Sandeep V. Walawalkar
Proprietor
FCS-9646, C.P. No. 16135
Date- 26th April, 2019
Place: Mumbai

Financial Statements
for the year ended 31st March 2019

AXIS CAPITAL LIMITED

Registered Office:
Axis House, 8th Floor
Wadia International Centre
Pandurang Budhkar Marg, Worli - 400025
Mumbai, Maharashtra

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Axis Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 relevant rules issued thereunder. 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) 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 Statement of Cash Flows 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 relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. 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 23 on Contingent Liabilities to the financial statements;

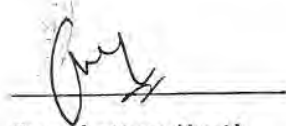
(ii) The Company has long term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts hence the question of any material foreseeable losses on account of same does not arise;

(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 11, 2019

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 Capital Limited on the financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties, therefore of paragraph 3(i) (c) of the Order is not applicable to the Company.
- (ii) The Company's stock-in trade comprises of securities, which is held in dematerialised form. Securities held as stock-in-trade by the custodian are verified with the confirmation statement received from them on a regular basis during the year. In our opinion, the frequency of these verifications is reasonable. The Company is maintaining proper records of securities held as stock-in-trade and no material discrepancies were noticed on comparing the statement from custodian with book records.
- (iii) 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 loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.
- (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 section 148(1) 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, income tax, goods and service tax and any other material statutory dues applicable to it, however, delays in deposit have not been serious. The provisions relating to employee's state insurance, custom duty, sales tax and excise duty are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax 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.



(b) According to the information and explanation given to us, the dues outstanding with respect to income tax and service 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
Income tax Act, 1961	Income Tax and Interest	637,376	A.Y. 2009 - 2010	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax and Interest	18,554,588	A.Y. 2010 - 2011	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax and Interest	57,261,830	A.Y. 2012 - 2013	Assistant Commissioner of Income Tax
Income tax Act, 1961	Income Tax and Interest	197,660	A.Y. 2014 - 2015	Assistant Commissioner of Income Tax
Municipal Corporation Act, 1888	Tax and Interest	6,306,470	April 2001 to September 2012	Supreme Court
Finance Act, 1994	Service Tax and Penalty	205,882,046	July 2012 to September 2014	Customs Excise and Service tax Appellate Tribunal
Finance Act, 1994	Service Tax	1,556,524	August 2003 to October 2004	Supreme Court
Finance Act, 1994	Service Tax	253,996	September 2002 to March 2004	Supreme Court
Finance Act, 1994	Service Tax and Penalty	693,428	April 2003 to October 2005	Customs Excise and Service tax Appellate Tribunal

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. Further, the Company does not have any dues payable to financial institutions, governments or debenture holders.
- (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.

HARIBHAKTI & CO. LLP

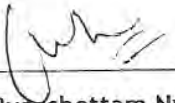
Chartered Accountants

- (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 etc., 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.
- (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 11, 2019

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 Capital Limited on the financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Axis Capital Limited ("the Company") as of March 31, 2019 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 with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.



Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note 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 11, 2019

AXIS CAPITAL LIMITED

BALANCE SHEET AS AT 31 MARCH 2019

(Amount in ₹)


	Note No.	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	735,000,000	735,000,000
Reserves and surplus	4	2,743,453,122	3,525,331,812
		<u>3,478,453,122</u>	<u>4,260,331,812</u>
NON-CURRENT LIABILITIES			
Long term provisions	5	119,651,386	182,333,193
		<u>119,651,386</u>	<u>182,333,193</u>
CURRENT LIABILITIES			
Short term borrowings	6	195,442,812	-
Trade payables	7		
Due to micro and small enterprises		1,193,126	-
Due to others		3,267,104,666	8,242,624,025
Other current liabilities	8	100,789,385	281,168,009
Short term provisions	5	298,487,598	646,011,778
		<u>3,863,017,587</u>	<u>9,169,803,812</u>
		<u>7,461,122,095</u>	<u>13,612,468,817</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	9		
Property, plant and equipment		8,344,696	7,983,041
Intangible assets		2,491,371	2,849,766
Intangible assets under development		2,673,100	974,050
		<u>13,509,167</u>	<u>11,806,857</u>
Non-current investments	10	49,587,760	-
Deferred tax assets (net)	31	5,285,413	10,411,648
Long term loans and advances	11	137,387,044	115,832,546
Other non-current assets	12	20,965,278	287,122,650
		<u>213,225,495</u>	<u>413,366,844</u>
CURRENT ASSETS			
Current investments	10	1,182,042,492	1,008,522,334
Stock-in-trade	13	-	-
Trade receivables	14	3,606,298,544	8,674,844,945
Cash and bank balances	15	2,355,114,516	3,348,340,412
Short-term loans and advances	11	45,601,467	97,372,575
Other current assets	12	45,330,414	58,214,850
		<u>7,234,387,433</u>	<u>13,187,295,116</u>
		<u>7,461,122,095</u>	<u>13,612,468,817</u>

Summary of significant accounting policies

2.1


The accompanying notes are an integral part of the financial statements

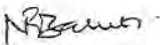
As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner
Membership No. :- 118970


Place: Mumbai
Date: 11 April 2019


For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120

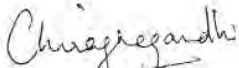

Neelesh Baheti
Chief Financial Officer

Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary

Date: 11 April 2019


Chirag Negandhi
Jt. MD and Co-CEO
DIN No. :- 06988113



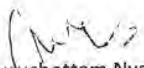
	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operation	16	2,144,349,887	4,022,715,933
Other income	17	296,109,836	322,345,743
		<u>2,440,459,723</u>	<u>4,345,061,676</u>
Employee benefit expense	18	797,625,979	1,256,760,525
Finance costs	19	4,183,360	4,617,253
Depreciation and amortization	20	6,117,296	4,382,110
Other expenses	21	668,229,336	935,579,310
		<u>1,476,155,971</u>	<u>2,201,339,198</u>
Profit/(loss) before tax		964,303,752	2,143,722,478
Tax expenses:			
Current tax		340,700,000	746,000,000
Excess provision for tax of earlier years		(17,374,052)	(7,206,647)
Deferred Tax		5,126,235	17,054,630
Total tax expense		<u>328,452,183</u>	<u>755,847,983</u>
Profit/(loss) for the year		<u>635,851,569</u>	<u>1,387,874,495</u>
Earning per equity share:			
[Nominal value per share ₹10 (31 March 2018: ₹10)]			
Basic		8.65	18.88
Diluted		8.65	18.88

Summary of significant accounting policies

2.1

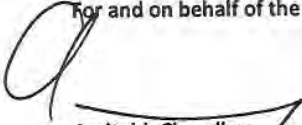
The accompanying notes are an integral part of the financial statements

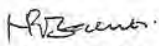
As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 11 April 2019


For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120

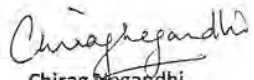

Neelesh Baheti
Chief Financial Officer

Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary

Date: 11 April 2019


Chirag Megandhi
Jt. MD and Co-CEO
DIN No. :- 06988113



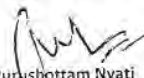
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Year ended	Year ended
	31 March 2019	31 March 2018
	₹	₹
A) Cash flows from operating activities		
Profit/(loss) before taxes	964,303,752	2,143,722,478
Non cash & non operating adjustments:		
Profit on sale of current investment	(75,478,724)	(77,383,293)
Interest income	(205,265,570)	(208,648,509)
Reversal of liability no longer required	(9,826,300)	(18,275,499)
Depreciation and amortisation	6,117,296	4,382,110
Unrealised foreign (gain)/loss	(704,899)	(294,018)
Provision for contingent liabilities	1,406,025	1,973,000
Provision for doubtful advances	-	262,922
Bad advances written off	262,922	2,211,391
Reversal of provision for doubtful advances	(262,922)	(2,250,838)
Provision for bad and doubtful debts	10,482,784	23,278,293
Bad debts and sundry balances written off	17,056,408	9,082,539
Reversal of provision of doubtful debts	(23,188,495)	(8,282,152)
Loss / (profit) on sale of fixed assets	(225,450)	-
Operating profit/(loss) before working capital changes	684,676,827	1,869,778,424
Movement in working capital:		
Decrease / (increase) in long term loan & advances	(8,731,745)	(303,497)
Decrease / (increase) in short term loan & advances	51,771,108	377,767,447
Decrease / (increase) in trade receivables	5,064,744,772	(1,558,071,760)
Decrease / (increase) in stock-in-trade	-	2,313
Decrease / (increase) in other current assets	8,645,968	(7,083,380)
Increase / (decrease) in long term provisions	(62,681,807)	50,451,505
Increase / (decrease) in short term provisions	(337,069,215)	188,010,296
Increase / (decrease) in trade payables	(4,965,056,101)	997,318,864
Increase / (decrease) in other current liabilities	(177,633,605)	231,586,930
Cash generated from operations	258,666,202	2,149,457,142
Direct taxes paid (net of refund)	(347,297,692)	(739,782,374)
Net cash from operating activities	(88,631,490)	1,409,674,768
B) Cash flow from investing activities		
Purchase of fixed assets including cwip	(10,564,626)	(3,921,494)
Proceeds from sale of fixed assets	225,450	-
Purchase of investments	(13,899,400,000)	(7,065,085,471)
Sale of investments	13,801,358,566	7,604,629,828
Investment in subsidiary	(49,587,760)	-
Investment in bank fixed deposit	(2,046,939,556)	(3,901,000,000)
Redemption of bank fixed deposit	2,810,875,000	3,262,201,492
Interest received	212,400,967	276,949,453
Net cash used in investing activities	818,368,041	173,773,808
C) Cash flows from financing activities		
Equity dividend paid	(1,176,000,000)	(1,029,000,000)
Tax on equity dividend paid	(241,730,259)	(209,480,188)
Proceeds from short term borrowings	195,442,812	-
Net cash used in financing activities	(1,222,287,447)	(1,238,480,188)
Net increase in cash and cash equivalents (A+B+C)	(492,550,896)	344,968,388
Cash and cash equivalents at the beginning of the year	526,065,412	181,097,024
Cash and cash equivalents at the end of the year	33,514,516	526,065,412
Components of cash and cash equivalents		
Cash in hand	40,566	55,679
Balances with banks:		
-On current accounts	33,473,950	526,009,733
Total	33,514,516	526,065,412

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 - Cash Flow Statement.

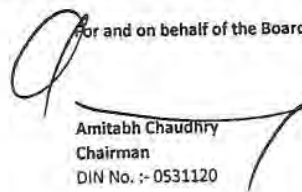
The accompanying notes are an integral part of the financial statements.

As per our report on even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048


Purushottam Nyati
Partner
Membership No. :- 118970


Place: Mumbai
Date: 11 April 2019


For and on behalf of the Board of Directors


Amitabh Chaudhry
Chairman
DIN No. :- 0531120

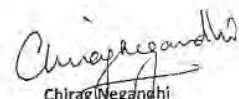

Neelesh Baheti
Chief Financial Officer

Place: Mumbai


Salil Pitale
Jt. MD and Co-CEO
DIN No. :- 07824218


M. Natarajan
Company Secretary

Date: 11 April 2019


Chirag Vengadh
Jt. MD and Co-CEO
DIN No. :- 06988113



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

1. Nature of operations

Axis Capital Limited ('the Company') is a public company domiciled in India. The Company is a wholly owned subsidiary of Axis Bank Limited ('the Bank'). The Company is in the business of institutional broking, investment banking and distribution of financial products.

2. 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 with relevant rules framed thereunder ('the Act'). 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.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in the Schedule III of the Act.

2.1 Summary of significant accounting policies

i. Use of estimates

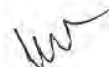
The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.



iii. Depreciation on property, plant and equipment

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment.

	Useful lives estimated by the management (years)	Useful Life as per prescribed in Schedule II of the Act (year)
Computers	3	3
Furniture and fixtures	10	10
Office equipment	3 - 10	5
Vehicles	4	10

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets based on historical experience of the Company, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

iv. Intangible assets

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company's intangible assets is as below:

	Rates (SLM)
Computer software	20%
Website development cost	20%

v. Impairment of property, plant and equipment and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

vi. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

vii. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Brokerage -

- a. Brokerage income in relation to stock broking activity is recognized as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis.
- b. Gains/losses on dealing in securities are recognized on a trade date basis.

Investment Banking -

- a. Revenue from issue management, loan syndication, and financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.
- b. Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds, etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

Interest and dividend -

- a. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- b. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

viii. Stock-in-trade

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. The securities held as stock-in-trade are valued at lower of cost arrived at on first in first out basis or marketable fair value. Any loss on valuation is routed through statement of profit and loss.

AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

ix. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method, made at the end of each year. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss of the year.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

As part of its variable pay structure, the Company operates Long term Deferred Variable Pay Structure Plan in which it defers a part of the entitlement which is to be settled in instalments over a period of three years at an amount which would be equivalent to the prevailing price of equity share of Axis Bank at the time of settlement. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at year-end using projected unit credit method.

x. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

xi. Investment

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

xii. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs to the extent related/attribution to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss in the period they occur.

xiii. Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

(iii) Exchange differences

All exchange differences arising out of monetary items are recognized as income or as expenses in the period in which they arise.

xiv. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xv. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

xvi. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Where 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.

xvii. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



The bottom of the page features several handwritten signatures in black ink, arranged horizontally. To the right of the signatures is a circular stamp, which appears to be a company seal or official stamp, though the text within it is illegible.

3. Share capital

	31-Mar-19 ₹	31-Mar-18 ₹
Authorised share capital		
175,000,000 (31 March 2018: 175,000,000) equity shares of ₹10/- each)	1,750,000,000	1,750,000,000
Issued share capital		
73,500,000 (31 March 2018: 73,500,000) equity shares of ₹10/- each)	735,000,000	735,000,000
Subscribed and fully paid-up shares		
73,500,000 (31 March 2018: 73,500,000) equity shares of ₹10/- each)	735,000,000	735,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31-Mar-19		31-Mar-18	
	No.	₹	No.	₹
At the beginning of the year	73,500,000	735,000,000	73,500,000	735,000,000
Issued during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Outstanding at the end of the year	73,500,000	735,000,000	73,500,000	735,000,000

(b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2019, the amount of per share dividend recognized as distributions to equity shareholders was ₹16 (31 March 2018: ₹14/-).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of the number of shares held by the shareholders.

(c) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates

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

Name of shareholder	31-Mar-19		31-Mar-18	
	₹	% of holding	₹	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2018: 73,500,000) equity shares of ₹10/- each)	735,000,000	100%	735,000,000	100%

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

Name of shareholder	31-Mar-19		31-Mar-18	
	No. of shares	% of holding	No. of shares	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2018: 73,500,000) equity shares of ₹10/- each)	73,500,000	100%	73,500,000	100%

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

(e) Proposed dividends on Equity shares

The Board proposed dividend on equity shares after the balance sheet date:

	31-Mar-19 ₹	31-Mar-18 ₹
Proposed dividend on equity shares for the year ended on 31 March 2019: ₹4.50 per share (31 March 2018: ₹16/- per share)	330,750,000	1,176,000,000
Dividend Distribution Tax on proposed dividend on equity shares	67,986,635	241,730,259
Total	398,736,635	1,417,730,259

[Handwritten signatures]



4. Reserve & Surplus

	31-Mar-19 ₹	31-Mar-18 ₹
General Reserve		
Balance as per last financial statements	129,237,420	129,237,420
Addition	-	-
Balance at the end of the year	A 129,237,420	129,237,420
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	3,396,094,392	3,246,700,085
Profit for the year	635,851,569	1,387,874,495
Less: Appropriations		
Final equity dividend (amount per share ₹16/- (31 March 2018: ₹14))	(1,176,000,000)	(1,029,000,000)
Tax on equity dividend	(241,730,259)	(209,480,188)
Total appropriations	(1,417,730,259)	(1,238,480,188)
Balance at the end of the year	B 2,614,215,702	3,396,094,392
Total	(A+B) 2,743,453,122	3,525,331,812

5. Provisions

	Long-term		Short-term	
	31-Mar-19 ₹	31-Mar-18 ₹	31-Mar-19 ₹	31-Mar-18 ₹
Provision for employee benefits				
Gratuity payable (funded)	-	-	-	23,550,602
Provision for compensated absences	-	-	761,335	1,049,728
Provision for bonus	119,554,800	181,024,198	280,661,096	594,447,484
	119,554,800	181,024,198	281,422,431	619,047,814
Other provisions				
Provision for tax [net of advance tax of ₹330,874,192 (Previous Year: ₹724,720,928)]	-	-	9,825,808	21,130,630
Lease equalization	96,586	1,308,995	-	-
Provision for litigation (refer note 35)	-	-	7,239,359	5,833,334
	96,586	1,308,995	17,065,167	26,963,964
Total	119,651,386	182,333,193	298,487,598	646,011,778

6. Short term borrowings

	31-Mar-19 ₹	31-Mar-18 ₹
Bank overdraft (secured against fixed deposits)	195,442,812	-
Total	195,442,812	-

7. Trade Payables

	31-Mar-19 ₹	31-Mar-18 ₹
Trade payables		
-Due to micro and small enterprises	1,193,126	-
-Due to holding company 'Axis Bank Limited'	51,254	2,777,434
-Due to others	3,267,053,412	8,239,846,591
Total	3,268,297,792	8,242,624,025

8. Others current liabilities

	31-Mar-19 ₹	31-Mar-18 ₹
Other payable		
-Statutory dues	99,137,107	277,753,636
-Other outstanding liabilities	1,544,278	561,353
-Capital Creditors	108,000	2,853,020
Total	100,789,385	281,168,009

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Fixed Assets

Assets	Gross Block				Depreciation				Net Block	
	As at 31 March, 2018	Additions during the year	Deductions during the year	As at 31 March, 2019	As at 31 March, 2018	Charge for the year	Deductions during the year	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
Property, plant and equipment										
Computers	38,477,105	5,184,756	5,720,298	37,941,563	31,538,890	4,858,381	5,720,298	30,676,973	7,264,590	6,938,215
Furniture	265,996	-	-	265,996	147,621	22,848	-	170,469	95,527	118,375
Vehicles	13,066	-	-	13,066	13,066	-	-	13,066	-	-
Office Equipment										
Printers etc.	2,005,919	20,400	-	2,026,319	1,804,083	134,181	-	1,938,264	88,055	201,836
Fax, UPS, Batteries etc.	360,131	-	-	360,131	339,321	9,288	-	348,609	11,522	20,810
EPABX etc.	74,648	276,900	-	351,548	74,648	28,449	-	103,097	248,451	-
Others	1,395,654	57,750	-	1,453,404	691,849	125,004	-	816,853	636,551	703,805
	42,592,519	5,539,806	5,720,298	42,412,027	34,609,478	5,178,151	5,720,298	34,067,331	8,344,696	7,983,041
Intangible assets										
Software	4,149,968	-	-	4,149,968	1,300,202	829,995	-	2,130,197	2,019,771	2,849,766
Website development cost	-	580,750	-	580,750	-	109,150	-	109,150	471,600	-
	4,149,968	580,750	-	4,730,718	1,300,202	939,145	-	2,239,347	2,491,371	2,849,766
Intangible assets under development										
	974,050	2,279,800	580,750	2,673,100	-	-	-	-	2,673,100	974,050
Total	47,716,537	8,400,356	6,301,048	49,815,845	35,909,680	6,117,296	5,720,298	36,306,678	13,509,167	11,806,857



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Fixed Assets

Assets	Gross Block				Depreciation				Net Block	
	As at 31 March, 2017	Additions during the year	Deductions during the year	As at 31 March, 2018	As at 31 March, 2017	Charge for the year	Deductions during the year	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
Property, plant and equipment										
Computers	34,062,198	4,414,907	-	38,477,105	28,200,445	3,338,445	-	31,538,890	6,938,215	5,861,753
Furniture	265,996	-	-	265,996	124,773	22,848	-	147,621	118,375	141,223
Vehicles	13,066	-	-	13,066	13,066	-	-	13,066	-	-
Office Equipment	1,873,169	132,750	-	2,005,919	1,656,736	147,347	-	1,804,083	201,836	216,433
Printers etc.	360,131	-	-	360,131	330,033	9,288	-	339,321	20,810	30,098
Fax, UPS, Batteries etc.	74,648	-	-	74,648	74,648	-	-	74,648	-	-
EPABX etc.	1,370,442	25,212	-	1,395,654	568,677	123,172	-	691,849	703,805	801,765
Others	38,019,650	4,572,869	-	42,592,519	30,968,378	3,641,100	-	34,609,478	7,983,041	7,051,272
Intangible assets										
Software	2,741,528	1,408,440	-	4,149,968	559,192	741,010	-	1,300,202	2,849,766	2,182,336
Intangible assets under development										
	235,500	1,926,990	1,188,440	974,050	-	-	-	-	974,050	235,500
Total	40,996,678	7,908,299	1,188,440	47,716,537	31,527,570	4,382,110	-	35,909,680	11,806,857	9,469,108

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. Investment

	Non-current		Current	
	31-Mar-19 ₹	31-Mar-18 ₹	31-Mar-19 ₹	31-Mar-18 ₹
Investment in subsidiaries (Unquoted, Valued at cost)				
Axis Capital USA, LLC (membership contribution)	49,587,760	-	-	-
Units of Mutual Funds (Unquoted, valued at lower of cost and fair value)				
Axis Liquid Fund - Direct - Growth	-	-	-	500,522,334
Axis Overnight Fund – Direct – Growth	-	-	1,182,042,492	-
Axis short Term Fund – Direct - Growth*	-	-	-	100,000,000
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	-	408,000,000
Total	49,587,760	-	1,182,042,492	1,008,522,334

* pledged to Stock Exchange and Bankers amounting to ₹Nil (31 March 2018: ₹393,325,002)

11. Loans and advances

	Non-current		Current	
	31-Mar-19 ₹	31-Mar-18 ₹	31-Mar-19 ₹	31-Mar-18 ₹
Security/margin deposit				
Unsecured, considered good	20,122,500	18,711,500	10,000	2,510,000
A	20,122,500	18,711,500	10,000	2,510,000
Advances recoverable in cash or kind				
Unsecured, considered good				
-Recoverable from Subsidiary 'Axis Capital USA, LLC'	-	-	2,714,312	2,558,479
-Recoverable from others	-	-	26,756,797	27,784,721
	-	-	29,471,109	30,343,200
Unsecured, considered doubtful				
-Recoverable from others	-	-	-	262,922
Provision for doubtful advances	-	-	-	(262,922)
B	-	-	29,471,109	30,343,200
Other loans and advances (Unsecured, considered good)				
Loans to employees	-	-	400,360	527,806
Advance income-tax [net of provision of ₹3,676,452,865 (Previous year: ₹3,701,200,000)]	109,551,474	96,884,553	-	-
Prepaid expenses	87,809	236,493	5,081,529	4,672,120
Deposit with service tax authorities paid under protest	7,625,261	-	-	-
Balance with statutory/government authorities	-	-	10,638,469	59,319,449
C	117,264,544	97,121,046	16,120,358	64,519,375
Total	(A+B+C)	115,832,546	45,601,467	97,372,575

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12. Other assets

	Non-current		Current	
	31-Mar-19 ₹	31-Mar-18 ₹	31-Mar-19 ₹	31-Mar-18 ₹
Unsecured, considered good unless stated otherwise				
Non-current bank balances	19,439,556	282,700,000	-	-
Others				
Interest accrued on fixed deposits	1,525,722	4,422,650	44,395,894	48,634,362
Interest Receivable	-	-	-	9,470,488
Income receivable	-	-	-	110,000
Gratuity Assets (funded)	-	-	934,520	-
Total	20,965,278	287,122,650	45,330,414	58,214,850

13. Stock-in-trade

	31-Mar-19		31-Mar-18	
	No. of shares	₹	No. of shares	₹
Opening	-	-	50	2,313
Purchase	1,226,215	418,686,237	2,318,861	561,976,408
Sale (at cost)*	1,226,215	418,686,237	2,318,911	561,978,721
Closing	-	-	-	-

* Loss (net) of ₹484,200 (Previous Year: ₹294,465) on sale of these shares has been disclosed under Note 21 "Other expenses"

14. Trade receivables

	Non-current		Current	
	31-Mar-19 ₹	31-Mar-18 ₹	31-Mar-19 ₹	31-Mar-18 ₹
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Unsecured, considered good				
Receivable from holding company 'Axis Bank Limited'	-	-	-	-
Receivable from Others	-	-	6,000,669	41,541,464
Doubtful	-	-	10,572,582	23,278,293
	-	-	16,573,251	64,819,757
Provision for doubtful receivables	-	-	(10,572,582)	(23,278,293)
A	-	-	6,000,669	41,541,464
Other receivables				
Unsecured, considered good				
Receivable from holding company 'Axis Bank Limited'	-	-	-	1,913,330
Receivable from Others	-	-	3,600,297,875	8,631,390,151
Doubtful	-	-	-	-
	-	-	3,600,297,875	8,633,303,481
Provision for doubtful receivables	-	-	-	-
B	-	-	3,600,297,875	8,633,303,481
Total (A+B)	-	-	3,606,298,544	8,674,844,945

15. Cash and bank balances

	Non-current		Current	
	31-Mar-19 ₹	31-Mar-18 ₹	31-Mar-19 ₹	31-Mar-18 ₹
Cash and cash equivalents				
-Cash on hand	-	-	40,566	55,679
Balances with banks:				
-On current accounts	-	-	33,473,950	526,009,733
A	-	-	33,514,516	526,065,412
Other bank balances				
Fixed deposits with original maturity of more than 12 months				
-Lien marked deposits (The period of lien is in line with the period of fixed deposit)	19,439,556	272,800,000	2,171,600,000	2,817,508,334
-Other Deposits	-	9,900,000	150,000,000	4,766,666
B	19,439,556	282,700,000	2,321,600,000	2,822,275,000
Amount disclosed under non-current assets (refer note no. 12)				
C	19,439,556	282,700,000	-	-
Total (A+B-C)	-	-	2,355,114,516	3,348,340,412



16. Revenue from operations

	For the year ended 31 March 2019 ₹	For the year ended 31 March 2018 ₹
Fees from advisory services and other professional services	1,035,479,337	2,534,458,658
Brokerage income	1,085,878,956	1,403,116,094
Other operating income		
-Interest Income on margin money funding	22,991,594	85,141,181
Total	2,144,349,887	4,022,715,933

17. Other income

	For the year ended 31 March 2019 ₹	For the year ended 31 March 2018 ₹
Profit on sale of current investment	75,478,724	77,383,293
Interest Income on fixed deposit	205,265,570	208,648,509
Interest Income on income tax refund	-	16,375,217
Reversal of provision/liability no longer required	9,826,300	18,275,499
Profit on sale of fixed assets	225,450	-
Gratuity provision no longer required	934,520	-
Miscellaneous Income	4,379,272	1,663,225
Total	296,109,836	322,345,743

18. Employee benefits expense

	For the year ended 31 March 2019 ₹	For the year ended 31 March 2018 ₹
Salaries, wages and bonus	776,208,774	1,217,288,090
Contribution to provident and other funds	9,375,298	6,592,160
Gratuity expense (refer note no. 29)	-	23,550,602
Staff welfare expenses	12,041,907	9,329,673
Total	797,625,979	1,256,760,525

19. Finance costs

	For the year ended 31 March 2019 ₹	For the year ended 31 March 2018 ₹
Interest on overdraft	4,183,360	4,613,507
Other borrowing cost	-	3,746
Total	4,183,360	4,617,253

20. Depreciation and amortization expense

	For the year ended 31 March 2019 ₹	For the year ended 31 March 2018 ₹
Depreciation of tangible assets	5,178,151	3,641,100
Amortization of intangible assets	939,145	741,010
Total	6,117,296	4,382,110

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21. Other expenses

	For the year ended 31 March 2019 ₹	For the year ended 31 March 2018 ₹
Stamp duty	33,443,447	37,307,090
Trade confirmation charges	46,729,519	39,448,074
Brokerage expenses	132,767,898	292,258,513
Stock exchange expenses	43,142,899	41,102,384
Printing and stationary*	7,691,224	12,167,724
Electricity & water charges	8,210,139	8,574,428
Rent (refer note no. 28)	78,594,653	79,567,055
Repairs & maintenance - others	9,098,100	12,929,525
CSR expenditure (refer note no. 32)	37,910,000	34,376,000
Insurance	844,802	845,290
Rates and taxes	5,184,004	4,894,899
Professional fees*	125,767,126	139,388,588
Office expenses*	2,120,373	55,578,272
Deputation expenses	26,821,368	34,868,714
Telephone, fax & internet	8,316,690	8,878,373
Foreign exchange loss	-	101,911
Loss on sale of devolved securities/dealing error	1,306,261	960,462
Travelling & conveyance expenses	36,470,824	41,360,311
Director's sitting fees	1,450,000	1,453,250
Auditors remuneration:		
- For audit	1,287,500	1,250,000
- Other	100,000	-
Miscellaneous expenses	56,621,812	63,966,292
Provision for doubtful advances		
- Provision for bad and doubtful advances	-	262,922
- Bad advances written off	262,922	2,211,391
- Reversal of provision of doubtful advances	(262,922)	(2,250,838)
Bad debts		
- Provision for bad and doubtful debts	10,482,784	23,278,293
- Bad debts written off	17,056,408	9,082,539
- Reversal of provision of doubtful debts	(23,188,495)	(8,282,152)
Total	668,229,336	935,579,310

*includes direct expenses pertaining to advisory services and other professional services amounting to ₹6,80,02,073 (Previous Year: ₹164,575,710).

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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

22. Earnings per Share (EPS)

	2018 - 2019 ₹	2017 - 2018 ₹
Profit/ (loss) after tax	635,851,569	1,387,874,495
Net profit/ (loss) for calculation of basic EPS and diluted EPS	635,851,569	1,387,874,495
	No.	No.
Weighted average number of equity shares in calculating diluted EPS	73,500,000	73,500,000
Earnings per share (Basic and diluted) (in ₹)	8.65	18.88

23. Contingent Liabilities

	31 March 2019 ₹	31 March 2018 ₹
(A) Claims against the Company not acknowledged as debts*	2,500,000	2,500,000
(B) Tax demand under litigation#		
- For Service Tax	216,011,255	216,011,255
- For Income Tax	1,563,612	11,282,677
- For Property Tax	6,306,570	6,306,570
(C) Outstanding bank guarantee	-	500,000
Total	226,381,437	236,600,502

*The Company is facing certain litigations with respect to alleged non disclosures in respect of investment banking jobs handled by the Company. The Management believes that its position will likely be upheld and the outcome of these proceeding will not have a material adverse effect on the Company's financial position and result of operations.

#The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

24. Capital and other commitments

(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:

	31 March 2019 (₹)	31 March 2018 (₹)
Commitment for addition/acquisition of software	700,900	567,226
Total	700,900	567,226

(B) The Company in the ordinary course of its business has syndicated certain secured instruments aggregating to ₹1,533,300,000 (31 March, 2018: ₹5,250,000,000) wherein the Company is mandated to monetize the underlying security on occurring of certain events to meet the Issuer's obligations and fulfill the shortfall, if any.



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

(C) For commitments in respect of Leases, refer Note No. 28.

25. Details of Foreign Currency Transactions*

	2018 - 2019 ₹	2017-2018 ₹
Earnings in foreign currency		
a) Fees from advisory services and other professional services	302,431,045	244,269,439
Expenditure in foreign currency		
a) Deputation expenses	25,490,177	22,674,175
b) Professional fees	2,875,820	2,672,280
c) Travelling and conveyance	11,663,438	8,613,404
d) Trade confirmation charges	17,003,452	16,542,656
e) Others	5,762,919	4,693,779

*on accrual basis

26. Segment information

The Company's various business activities in respect of capital market transactions carry similar risks and returns and hence considered as a single reportable business segment. Further, the Company operates in a single geographical segment. Hence, no disclosures are required to be given in accordance with AS 17 on Segment Reporting.

27. Related Party Disclosures

Names of related parties

Holding Company	Axis Bank Limited ("ABL")
Key Management Personnel	Mr. Dharmesh Mehta (Managing Director and CEO till 4 th December, 2018) Mr. Chirag Negandhi (Joint Managing Director and Co CEO w.e.f. 4 th December, 2018) Mr. Salil Pitale (Joint Managing Director and Co CEO w.e.f. 4 th December, 2018) Mr. Mitesh Mehta (Relative of Managing Director and CEO till 4 th December, 2018) Mr. Natarajan Mahadevan (Company Secretary) Mr. Neelesh Baheti (Chief Financial Officer)
Subsidiary	Axis Capital USA LLC ("ACUL") (w.e.f. 02/08/2017)
Fellow Subsidiary	Axis Private Equity Limited ("APEL") Axis Trustee Services Limited ("ATSL") Axis Finance Limited ("AFL") Axis Securities Limited ("ASL")



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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

Transactions of transactions

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
	(₹)	(₹)	(₹)	(₹)	(₹)
Income					
Brokerage Income	1,245,483	-	-	-	1,245,483
	(2,496,426)	-	-	-	(2,496,426)
Brokerage Income (ASL)	-	-	142,460	-	142,460
	-	-	(911,560)	-	(911,560)
Bank interest	91,093,521	-	-	-	91,093,521
	(103,058,856)	-	-	-	(103,058,856)
Other reimbursement (APEL)	-	-	-	-	-
	-	-	(748,307)	-	(748,307)
Advisory Income	2,333,331	-	-	-	2,333,331
	(123,421,665)	-	-	-	(123,421,665)
Service charges (AFL)	-	-	-	-	-
	-	-	(1,134,711)	-	(1,134,711)
Expenses					
Remuneration of Key Management Personnel#					
Mr. Chirag Negandhi (from 04-12-2018)	-	-	-	3,142,097	3,142,097
Mr. Salil Pitale (from 04-12-2018)	-	-	-	3,019,147	3,019,147
Mr. Dharmesh Mehta (upto 04-12-2018)	-	-	-	104,763,047	104,763,047
	-	-	-	(77,987,252)	(77,987,252)
Mr. Mitesh Mehta (upto 04-12-2018)	-	-	-	16,714,407	16,714,407
	-	-	-	(13,407,147)	(13,407,147)
Mr. Neelesh Baheti (from 01-06-2018)	-	-	-	8,118,057	8,118,057
Mr. Natarajan Mahadevan	-	-	-	21,531,523	21,531,523
	-	-	-	(16,772,221)	(16,772,221)
Reimbursement of expense*	138,959,895	-	-	85,229	139,045,124
	(160,949,028)	-	-	(29,616)	(160,978,644)
Interest expense	4,183,360	-	-	-	4,183,360
	(4,613,507)	-	-	-	(4,613,507)
Bank charges	383,388	-	-	-	383,388
	(102,774)	-	-	-	(102,774)
Bank Guarantee Charges	-	-	-	-	-
	(3,746)	-	-	-	(3,746)
Demat charges	106,802	-	-	-	106,802
	(127,775)	-	-	-	(127,775)
Brokerage expense	1,387,311	-	-	-	1,387,311
	(3,839)	-	-	-	(3,839)



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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

Brokerage expense (ASL)	-	-	1,985,268	-	1,985,268
	-	-	(826,348)	-	(826,348)
Fees paid (ATSL)	-	-	-	-	-
	-	-	(300,000)	-	(300,000)
Other Transactions					
Reimbursement of expense on behalf of Subsidiary**	-	-	-	-	-
	-	(2,558,479)	-	-	(2,558,479)
Dividend paid	1,176,000,000	-	-	-	1,176,000,000
	(1,029,000,000)	-	-	-	(1,029,000,000)
Bank guarantee availed	(500,000)	-	-	-	(500,000)
Purchase of fixed assets	-	-	28,262	-	28,262
	-	-	-	-	-
Investment	-	49,587,760	-	-	49,587,760
	-	-	-	-	-
Balances outstanding as at the year end					
Fixed deposit (including interest accrued)	1,215,916,332	-	-	-	1,215,916,332
	(1,058,468,285)	-	-	-	(1,058,468,285)
Current account	33,260,008	-	-	-	33,260,008
	(520,707,657)	-	-	-	(520,707,657)
Overdraft Account Balance***	195,442,812	-	-	-	195,442,812
	-	-	-	-	-
Trade payables	51,254	-	-	-	51,254
	(2,777,434)	-	-	-	(2,777,434)
Other receivables	-	2,714,312	-	-	2,714,312
	-	(2,558,479)	-	-	(2,558,479)
Trade receivables	-	-	-	-	-
	(1,913,330)	-	-	-	(1,913,330)
Outstanding bank guarantee	-	-	-	-	-
	(500,000)	-	-	-	(500,000)
Equity share capital	735,000,000	-	-	-	735,000,000
	(735,000,000)	-	-	-	(735,000,000)
Investment	-	49,587,76	-	-	49,587,760
	-	-	-	-	-

Note: Figures in bracket pertain to the previous year.

*Reimbursement of expenses to the holding company includes ₹1,331,191 (Previous Year: ₹8,569,850) in respect of remuneration of Neelesh Baheti (CFO).

** Foreign exchange gain/(loss) on closing balances has not been considered in current year's transaction.

*** Closing credit line obtained by the Company from Axis Bank is ₹2,000,000,000 (Previous Year: ₹2,000,000,000)



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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

#Deferred bonus considered in remuneration on payment basis.

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

28. Leases

Operating Lease:

Office premises are obtained on operating lease. These leases have an average life between one year to seven years with further renewals option included in the contract. There are no restrictions imposed by lease arrangements. There are no subleases.

	Operating Lease	
	2018-2019 (₹)	2017-2018 (₹)
Minimum lease payments :		
-Not later than one year	24,489,751	79,266,570
-Later than one year but not later than five years	10,339,656	38,827,152
-Later than five years	-	3,636,321
Lease payment for the year	78,594,653	79,567,055

29. Employee Benefits

The following table sets forth the status of the Provident fund and Gratuity plan of the Company and the amounts recognized in the Balance Sheet and Statement of Profit & Loss as required under AS 15 :

a) Defined contribution plan

The company has recognized the following amount in the Statement of Profit and Loss under the head Contribution to provident and other funds in Employee Benefit Expense for the year:

Particulars	(Amount in ₹)	
	As at March 31, 2019	As at March 31, 2018
Employer's contribution to Provident Fund	9,369,730	6,586,448

b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

Statement of profit and loss

Net employee benefit expense recognized in employee cost

	2018-2019 (₹)	2017-2018 (₹)
Current service cost	7,825,675	5,629,901
Interest cost on benefit obligation	8,044,731	5,748,857
Expected return on plan assets	(6,236,045)	(5,204,804)
Net actuarial (gain)/ loss recognised in the year	(10,568,881)	(9,385,619)
Past Service Cost - Vested benefit recognized during the period	-	26,762,267
Net benefit expense	(934,520)	23,550,602
Actual return on plan assets	6,120,435	6,631,910

Balance sheet

Details of provision for gratuity

	2018-2019 (₹)	2017-2018 (₹)
Defined benefit obligation	97,127,389	104,749,099
Fair value of plan assets	(98,061,909)	(81,198,497)
Plan (Assets) / Liability	(934,520)	23,550,602

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

	2018-2019 (₹)	2017-2018 (₹)
Opening defined benefit obligation	104,749,099	84,294,094
Interest cost	8,044,731	5,748,857
Current service cost	7,825,675	5,629,901
Benefits paid	(14,755,745)	(9,727,507)
Actuarial (gains)/losses on obligation	(8,736,371)	(7,958,513)
Past Service Cost - Vested benefit recognized during the period	-	26,762,267
Closing defined benefit obligation	97,127,389	(104,749,099)

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

	2018-2019 (₹)	2017-2018 (₹)
Opening fair value of plan assets	81,198,497	76,316,769
Expected return	6,236,045	5,204,804
Contributions by employer	25,498,722	7,977,325
Benefits paid	(14,755,745)	(9,727,507)
Actuarial gains/(losses)	(115,610)	1,427,106
Closing fair value of plan assets	98,061,909	81,198,497

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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

The Company expects to contribute ₹Nil (Previous year ₹23,550,602) to gratuity in the next year.

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

	Gratuity	
	31 March 2019	31 March 2018
Investment with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	Gratuity	
	2018-19	2017-18
	%	%
Discount rate	7.48	7.68
Expected rate of return on assets*	7.48	7.68
Employee turnover	10.00	10.00
Salary escalation rate#	7.00	7.00

* The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

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

	2018-19 (₹)	2017-18 (₹)	2016-17 (₹)	2015-16 (₹)	2014-15 (₹)
Defined benefit obligation	97,127,389	104,749,099	84,294,094	83,633,206	82,605,892
Plan assets	98,234,008	81,198,497	76,316,769	81,044,631	79,641,374
Surplus / (deficit)	934,520	(23,550,602)	(7,977,325)	(2,588,575)	(2,964,518)
Experience adjustments on plan liabilities	(9,724,353)	(28,923,544)	(3,311,704)	(5,436,991)	(9,086,211)
Experience adjustments on plan assets	(115,610)	1,427,106	(1,099,802)	(360,387)	993,882

30. The outstanding balance on account of principal and interest as on 31 March 2019 remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is ₹1,193,126 (Previous Year: Nil). The Company has not delayed in making payments to any of the parties registered as small and medium enterprises under MSMED, and there has been no interest accrued or paid in this regard.

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AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

31. Deferred Tax Asset of the Company is as follows:-

	31 March 2019 (₹)	31 March 2018 (₹)
Deferred tax Assets comprise timing difference on account of :		
-Depreciation	1,283,479	1,343,952
-Provision for doubtful debts	3,699,769	8,146,006
-Provision for doubtful advances	-	92,007
-Provision for lease equalization charges	33,799	458,070
-Provision for Compensated Absences	266,422	367,342
-Stamp Duty due but not paid	1,944	4,271
Total	5,285,413	10,411,648

32. Details of CSR expenditure:

	2018-2019 (₹)	2017-2018 (₹)
Gross amount required to be spent by the Company during the year	37,909,300	34,375,190
Amount spent during the year for purposes other than Construction / acquisition of any asset (in cash)	37,910,000	34,376,000

33. Particulars of unhedged foreign currency exposure as at the balance sheet date

Particulars	31 March 2019		31 March 2018	
	₹	Amount in foreign currency	₹	Amount in foreign currency
Trade Receivables	23,467,035	USD 339,370	158,906,341	USD 2,438,147
	396,932	GBP 10,650	784,38	GBP 850
Advances	31,059	USD 350	-	-

34. The Company has received margin money in the form of securities from the clients in the normal course of business which are either pledged in favour of the Company or are transferred to the Company's Depository Participant account. Such securities are kept by the Company in a separate Depository Participant account maintained by the Company for all such purposes.

35. Provisions made for litigation for the year ended March 31, 2019 comprises of:-

Particulars	Opening Balance (₹)	Provided during the year (₹)	Provision utilised / reversed during the year (₹)	Closing Balance (₹)
Provision for litigation	5,833,334	1,406,025	-	7,239,359
	(3,860,334)	(2,500,000)	(527,000)	(5,833,334)



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2019

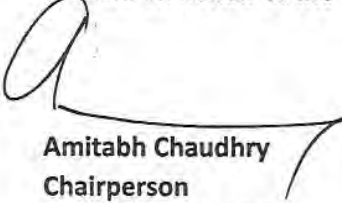
36. Previous year figures have been re-grouped / reclassified wherever necessary to confirm the current year classification.

As per report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048



Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 11 April 2019

For and on behalf of the board of Directors

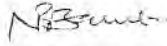

Amitabh Chaudhry
Chairperson
DIN No. :- 0531120


Chirag Negandhi
Jt. MD & Co-CEO
DIN No. :- 06988113


M. Natarajan
Company Secretary

Place: Mumbai


Salil Pitale
Jt. MD & Co-CEO
DIN No. :- 07824218


Neelesh Baheti
Chief Financial Officer

Date: 11 April 2019

