

## DIRECTORS' REPORT

### DEAR MEMBERS

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report of Axis Securities Limited (the Company) alongwith the Audited Financial Statements for the financial year ended March 31, 2021.

### FINANCIAL PERFORMANCE:-

During the year, the Company achieved a total income of Rs 42,697 Lakhs

The highlights of the financial Results of your Company for the year ended March 31, 2021 are given below:

(Figures in lakhs)

Particulars	2020-21	2019-20
Operating Income(A)	35,880	17,708
Interest Income on Fixed Deposits and Miscellaneous Income (B)	6,817	3,174
<b>Total Income (A)+(B)</b>	<b>42,697</b>	<b>20,882</b>
Operating Expenses	19,575	11,955
<b>Profit/(Loss) before Depreciation &amp; provisions for tax</b>	<b>23,122</b>	<b>8,927</b>
Depreciation	1,650	1,438
Provision for Tax	5,017	2,228
<b>Profit for the year from continuing operation</b>	<b>16,455</b>	<b>5,261</b>
<b>Exceptional items</b>	<b>-</b>	<b>(2,845)</b>
<b>Profit before tax for the year from discontinued</b>		
Profit before tax for the year from discontinued operations	-	665
Tax income/ (expense) of discontinued operations	-	(183)
Deferred tax		
<b>Profit for the year from discontinued operations</b>	<b>-</b>	<b>482</b>
<b>Profit for the year</b>	<b>16,455</b>	<b>2,898</b>
<b>Other Comprehensive Income</b>	<b>26</b>	<b>(164)</b>
<b>Total Comprehensive Income for the year</b>	<b>16,481</b>	<b>2,734</b>

### Axis Securities Limited

Registered Address: Axis House, 8th Floor, Wadia International Centre,  
Pandurang Budhkar Marg, Worli, Mumbai-400 025  
CIN: U74992MH2006PLC163204  
contact@axissecurities.in | www.axisdirect.in | Tel: 022-42671500



# AXIS SECURITIES

## **BUSINESS OVERVIEW & REVIEW OF OPERATIONS:-**

In Financial Year 2020-21 Retail Broking has achieved overall revenue of Rs. 275.73 Cr which is increase of 98.54% as compared to Rs. 138.88 Cr in Financial Year 2019-20 and have acquired 3.51 Lakhs customers.

## **GENERAL RESERVE:-**

The Company in accordance with Section 123 of the Companies Act, 2013 ("the Act"), has transferred a sum of Rs.16,48,00,000 to the General Reserve account.

## **MATERIAL CHANGE AND COMMITMENT:-**

In terms of the information required under sub-section (3)(l) of Section 134 of the Act, it is to be noted that no material changes and commitments, affecting the financial position of the Company has occurred between the end of the Financial Year of the Company to which the Financial Statements relate and to the date of the Directors Report.

## **ANNUAL RETURN:-**

The Annual Return of the Company for the said financial year as required under Section 92 of the Companies (Amendment) Act, 2017 is available on the website of the Company at <https://simplehai.axisdirect.in/aboutus> and the same is enclosed as **Annexure-A**

## **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 Act and Clause – 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 a Stock Broking 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 comprehensive Risk Management Policy identifying various elements of risks, risk parameters and risk containment measures. The Company has automated risk management systems in place. The risk system monitors various trades and positions of the clients on real-time basis with the help of real time data feeds from Exchanges. The system also generates automated alerts in case of specified events based on the set parameters. A dedicated risk team monitoring the risk systems acts promptly on such alerts. The above risk processes have been put in place for Equities, Derivatives, Commodities and Currencies etc.

Client defaults in paying up the losses arising out of client positions poses significant risk, which in the opinion of the Board may threaten the existence of the Company. Other identified risks are system malfunction, black swan event, Internal as well as external frauds, adverse regulatory action against the Company etc.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:-**

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. Internal control systems comprising of 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.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. A yearly presentation on Internal Financial Control Systems is also presented to Audit Committee of the Board.



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**AXIS SECURITIES**

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:-**

The Company has adopted the code of conduct for employee, customers, vendors and also for its directors for the highest degree of transparency, integrity, accountability and corporate social responsibility. 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, customers, vendors 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 to the Whistle Blower Committee by sending the members an email on [whistleblower@axissecurities.in](mailto:whistleblower@axissecurities.in)

**BOARD OF DIRECTORS, MEETINGS, EVALUATION ETC.:-****Board of Directors:-**

During the year under review, following are the list of Directors appointed or resigned from the Board of the Company:

Sr. No	Name of the Director	Status	Date of appointment /Resignation	Designation
1	Mr. Ramesh Kumar Bammi	Resigned	27.04.2020	Director
2	Mr. Jagdeep Ma.2llareddy	Resigned	19.05.2020	Director
3.	Mr. Ravi Narayanan	Appointment	12.06.2020	Additional Director
4.	Mr. Ravi	Change in	19.06.2020	Director

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**AXIS SECURITIES**

	Narayanan	Designation		
5	Mr. Naveen Tahilyani	Appointment	15.07.2020	Additional Director
6.	Mr. PralayMondal	Resignation	14.09.2020	Chairman
7.	Mr. Rajiv Anand	Appointment	24.09.2020	Additional Director
8.	Mr. Naveen Tahilyani	Resignation	13.10.2020	Additional Director
9.	Mr. Rajiv Anand	Change in Designation	19.11.2020	Director-Chairman

#### Board Meetings:-

During the year under review, the Board of Directors (hereinafter called as the "BOARD") met for five times viz.23.04.2020, 15.07.2020, 15.10.2020, 28.10.2020 and 14.01.2021:

The details of the attendance of the Board are as follows:

Name of the Director	Number of Board Meetings Entitled to Attend	Number of Meetings Attended
Mr. Rajiv Anand	3	3
Mr. PralayMondal	2	2
Mr. Ramesh Kumar Bammi	1	1
Mr. Babu Rao Busi	5	5
Ms. BhumikaBatra	5	5
Mr. JagdeepMallareddy	1	1
Mr. Ravi Narayanan	4	4
Mr. Naveen Tahilyani	0	0
Mr. Anand Kumar Saha	5	5
Mr. Gop Kumar Bhaskaran	5	5

#### COMMITTEES OF THE BOARD

##### I. AUDIT COMMITTEE

During the year under review, the Audit Committee met four times viz: 23.04.2020, 15.07.2020, 15.10.2020 and 14.01.2021

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**AXIS SECURITIES**

The details of the attendance of the Audit Committee Members are as follows:

Name of the Member	Number of Audit Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Babu Rao Busi	4	4
Ms. BhumikaBatra	4	4
Mr. JagdeepMallareddy	1	0
Mr. Ravi Narayanan	3	3

## II. NOMINATION AND REMUNERATION COMMITTEE (NRC)

During the year under review, the Nomination and Remuneration Committee met thrice viz: 20.4.2020, 15.07.2020, 13.10.2020

The details of the attendance of the NRC Members are as follows:

Name of the Member	Number of Nomination and Remuneration Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Babu Rao Busi	3	3
Mr. Rajiv Anand	1	1
Mr. PralayMondal	2	2
Ms. BhumikaBatra	3	3

## III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

During the year under review, the CSR Committee met two times viz: 15.07.2020 and 14.01.2021.

The details of the attendance of the CSR Committee Members are as follows:

Name of the Member	Number of CSR Committee Meetings Entitled to Attend	Number of Meetings Attended
Ms. BhumikaBatra	2	2
Mr. Babu Rao Busi	2	2
Mr. Ravi Narayanan	2	2

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**AXIS SECURITIES**

Mr. Gop Kumar Bhaskaran	2	2
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#### IV. RISK MANAGEMENT COMMITTEE (RMC)

During the year under review, the Risk Management Committee met four times viz: 21.04.2020, 14.07.2020, 14.10.2019 and 13.01.2021.

The details of the attendance of the RMC Members are as follows:

Name of the Member	Number of Committee Meetings Entitled to Attend	Number of Meetings Attended
Mr. Jagdeep Mallareddy	1	1
Mr. Ravi Narayanan	3	3
Mr. Gop Kumar Bhaskaran	4	4
Mr. Anand Kumar Shaha	4	4

The intervening gap between the Meetings was within the period prescribed under the Act.

#### Annual Evaluation:-

##### The Formal Annual Evaluation has been made as follows:-

During the year under review, the Independent Directors of the Company met on March 30, 2021 without the attendance of Non-Independent Directors and Members of Management. At the said meeting, the Independent Directors reviewed the process adopted for conduct of Board performance evaluation as recommended by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee (the Committee) of the Company is the nodal agency for conduct of said performance evaluation. The Committee Chairman reviewed and approved the manner for conducting the said performance evaluation and also determined the criteria for the same. The Committee Chairman had appointed an External Agency M/s. Potentia Growth Services Private Limited for evaluating the performance of the Board, Committees and Directors.

The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as strategic planning, identification and management of risks, succession planning and evaluation of management, audit & compliance, governance, relationship with executive management of the Company, etc. The performance evaluation of the Committees was based on criteria such as appropriate composition,

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**AXIS SECURITIES**

clarity in terms of reference, regularity of meetings, quality of discussion/deliberation at its meetings, participation of members etc. The performance evaluation of Directors was carried out on various criteria such as attendance, participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the Company, etc.

The outcomes were reviewed by the Committee and the Board in their meetings held on April 14, 2021 and April 15, 2021 respectively and their observations/ feedback were conveyed to the concerned stakeholders, for appropriate action.

**Declaration by Independent Director:-**

The Company has received the declarations from its Independent Directors that they meet the Criteria of Independence as laid down under Section 149(6) of the Act.

**Key Managerial Personnel:-**

During the year under review, no Key Managerial Personnel has been either appointed or resigned from the Company.

**SHARE CAPITAL:-**

During the year, there was no change in the Authorised, Issued, Subscribed and Paid – up Share Capital of the Company.

**PUBLIC DEPOSITS:-**

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and Section 76 of the Act 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 Act relating to the Conservation of Energy and Technology Absorption is not given since the Company is not engaged in any manufacturing activity.

During the year under review, the Company has spent Rs. 8 Lakhs (Rupees Eight lakhs only) in Foreign exchange towards technology and other expenses. The Company has not earned any foreign exchange. The details of the Foreign exchange outflow are enclosed in **Annexure - B**.

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#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION- 186:-**

Pursuant to Section 134(3)(g) of the Act, the Company has not given any Loan, Guarantee but has made Investment under Section 186 of the Act.

The details of the said investment are part of financial statements

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SUB – SECTION (1) OF SECTION 188**

Information as per Section 134(3)(h) of the Act relating to the particulars of Contracts or Arrangements with Related Parties under Sub – Section (1) of Section 188 is as mentioned below:-

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company. The disclosure of particulars of contracts/arrangements entered into by the Company with related parties pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC – 2 is enclosed herewith as **Annexure - C**.

#### **PARTICULARS OF EMPLOYEES AS REQUIRED UNDER COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:-**

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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**AXIS SECURITIES**

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:-**

The Company recognized the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its clients, employees, society and other stakeholders. The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community.

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules thereunder. The policy shall apply to all CSR programs undertaken/sponsored by the Company, executed through itself, its Holding Company's Axis Bank Foundation or through any other Trust/NGO.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed/undertaken project namely KABIL.

Project Kabil was directed towards the following:

1. Improving the income of household by implementation of different rural livelihood interventions with two indicators:
  - a) Participating Households would be earning at least INR 75,000 pa at project level by the end of the project period.
2. Enhance technical knowledge of farmers in modern agriculture and allied activities;
3. Develop entrepreneurs from the local community for market linked livelihood development for sustainability;
4. Access government funds to livelihood activities.

KABIL project was done through Axis Bank Foundation. The said project is in accordance with Schedule VII of the Companies Act, 2013.

During the year under review, the Company has spent Rs.176.64/- (Rupees One seventy six crores and sixty four lakhs only) towards CSR activity undertaken. For detailed report refer **Annexure -D**.

## **POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE:-**

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Act 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, criteria for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key

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**AXIS SECURITIES**

Managerial Personnel, Senior Management and other employees, etc. The policy is available on the website of the Company at:

<https://simplehai.axisdirect.in/images/RegulatoryDisclosure/Policies/NominationRemunerationPolicy.pdf>

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:-**

The Company has in place a policy for Prevention, Prohibition & Redressal of Sexual Harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder.

All employees are covered under this policy. The Company has constituted an Internal Complaint Committee for its Head office and branches/Sales offices under Section 4 of the captioned Act.

The details of the number of complaints filed and resolved during the year are as under:-

a.	Number of complaints received during the year (2020-21)	:	2
b.	Number of complaints disposed off during the year	:	2
c.	Number of cases pending for more than 90 days	:	Nil
d.	Number of workshops or awareness programs carried out against sexual harassment	:	POSH training imparted to Branch Heads, POSH topic covered during Induction

**DIRECTORS RESPONSIBILITY STATEMENT:-**

Pursuant to sub-section (5) of Section 134 of the Act, 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 at the end of the

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**AXIS SECURITIES**

Financial Year and of the profit of the Company for the year ended March 31, 2020.

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act 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. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **COMPLIANCES:-**

The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, Inter alia, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

#### **AUDITORS:-**

##### **i. Statutory Auditors:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company has re-appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 12<sup>th</sup> Annual General Meeting until the conclusion of the 17<sup>th</sup> Annual General Meeting of the Company.

The Company has received the certificate of eligibility criteria under Section 141 from the Statutory Auditors.

Also, pursuant to the notification issued by MCA dated May 7, 2018, the requirement of ratifying the appointment of Statutory Auditors in every Annual General Meeting is done away.

##### **ii. Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules,

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**AXIS SECURITIES**

2014, the Company has re-appointed M/s. BNP & Associates, Practicing Company Secretaries, 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 -E**.

**iii. Internal Auditors:-**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has re-appointed M/s. RVA & Associates, LLP Chartered Accountants to undertake the Internal Audit of the Company for the financial year under review.

**CORPORATE GOVERNANCE:-**

The Company's policy on Corporate Governance is as under:

- 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.

**FUTURE OUTLOOK:-**

**Retail Broking:**

FY21 was an unprecedented year with one of the worst pandemics hitting in over a century on one hand and one of strongest years for the equity markets on the other. The benchmark NIFTY 50 delivered a solid 78% returns supported by a low base and surge in global liquidity. According to a recent report by Bank of America, the last 5 months have seen higher inflows in global equity funds than the last 12 years combined. Equity volumes over the last 12 months continued to rise as work from home activities led to significant increase in online broking volumes. FY21 saw the highest retail broking volumes ever and the February 2021 saw the highest ever monthly volumes. However, the spectre of pandemic has continued to linger and cases again started rising in March 2021 which led to market correction and decline in monthly volumes.



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With the start of new fiscal the COVID19 has mutated and it has become more infectious leading to a very significant rise in number of cases. This has resulted in a lockdown like situation in Maharashtra and the number of daily cases has risen to more than 2 lacs across India. The significant rise in cases could mean that more lockdown like situations across the country which will have an impact on the growth revival which was very strong in Q4FY21. The Q4FY21 earnings for NIFTY 50 will more than double and the earnings trajectory is expected to remain strong in FY22 and FY23 with earnings projected to grow by 30% and 16% respectively.

Even as more lockdowns will lead to a economic slowdown in the short-term but organized sector and leading corporates gain market share. This is on account of better management of supply-side issues and ability to ramp up production quickly. Demand as we know is never truly destroyed and gets pent up which results in significant volume growth in the future. Also, monetary policy will continue to be accommodative to support growth and revival. All these factors mean the lockdowns will have a short term impact on the equity markets but they may also provide an opportunity to buy undervalued stocks and themes for investors leading to surge in equity volumes.

The market behavior of the retail market has been very interesting in the recent times. Retail investors have been major buyers during the times of deep corrections in the market. The Indian retail broking market is now able to spot quality opportunities as the pandemic of last year has provided them with the time to learn about the investing trends in the equity markets. This trend is very likely to get stronger in the forthcoming years.

Thus, as we enter into the new fiscal, there are multiple factors which are encouraging. There are vaccinations to control the pandemic. India now has three approved vaccinations with significant production capacity. The demand structure before the recent surge was very strong and market volumes have been encouraging. FY22 and the years ahead are likely to be defining for the Indian retail broking industry in many ways with a new wave of investors and ample opportunities in the market. Now, there are good reasons to be cautiously optimistic than at the start of FY21 which started on a very jittery note but ended on a good high. FY22 is starting on a cautiously optimistic note but should end much higher.

#### **SECRETARIAL STANDARDS:-**



During the year under review, the Company has complied with the applicable Secretarial Standard issued by Institute of Company Secretaries of India.

**ACKNOWLEDGEMENT:-**

Your Directors would like to express their gratitude for all the guidance and co-operation received from its holding company - Axis Bank Limited. Your Directors would like to place on record their gratitude to the esteemed Clients, Bankers, Financial Institutions, Suppliers, Service providers, Advisors, Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE), BSE Limited(BSE), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Ministry of Corporate Affairs, Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), Metropolitan Stock Exchange of India Limited (MSEI), Insurance Regulatory and Development Authority(IRDA), Central, State and Local Government Departments for their continued support and cooperation.



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**

**Rajiv Anand**

Chairman

**DIN:** 02541753

**Address:** D 2203 Vivarea Sane Guruji  
Marg, Saatrasta, Near Jacob Circle,  
Mahalaxmi, Mumbai 400011.

Place: Mumbai

Date: April 15, 2021



## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2021**

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

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	:	U74992MH2006PLC163204
ii.	Registration Date	:	21/07/2006
iii.	Name of the Company	:	Axis Securities Limited
iv.	Category / Sub-Category of the Company	:	Public Unlisted Company
v.	Address of the Registered office and contact details	:	Axis House, 8 <sup>th</sup> Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra, India. Telephone No - 022 24252009 Email id – <a href="mailto:Divya.Poojari@axissecurities.in">Divya.Poojari@axissecurities.in</a>
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. KFin Technologies Private Limited Selenium Tower B, Plot No 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi- 500 032, India Telephone No - +91 040 67162222

**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:-

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Stock Broker, activities	67120	100%





III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	<b>Axis Bank Limited</b> Trishul, 3 <sup>rd</sup> Floor, Opp.Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad - 380006	L65110GJ1993PLC02 0769	Holding	99.999958%	2(46)

IV. SHAREHOLDING 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	
<b>A. Promoter S</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	---	---	---	---	---	---	---	---	---
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	---	---	---	---	---	---	---	---	---
e) Banks / FI	144,499,940	---	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
f) Any Other...	---	---	---	---	---	---	---	---	---
<b>Sub-total (A) (1):-</b>	144,499,940	---	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
<b>(2) Foreign</b>									
a) NRIs - Individuals	---	---	---	---	---	---	---	---	---
b) Other - Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
<b>Sub-total (A) (2):-</b>	---	---	---	---	---	---	---	---	---
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	144,499,940	---	144,499,940	99.999958 %	144,499,940	---	144,499,940	99.999958 %	NIL
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks/ FI	---	---	---	---	---	---	---	---	---

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**AXIS SECURITIES**

c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt (s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1):-</b>	---	---	---	---	---	---	---	---	---
<b>2. Non-Institutions</b>									
a) Bodies Corp.	---	---	---	---	---	---	---	---	---
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	60	---	60	0.000042%	60	---	60	0.000042%	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	---	---	---	---	---	---	---	---	---
c) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(2):-</b>	60	---	60	0.000042%	60	---	60	0.000042%	---
Total Public Shareholding (B)=(B)(1)+ (B)(2)	60	---	60	0.000042%	60	---	60	0.000042%	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	144,500,000	---	144,500,000	100%	144,500,000	---	144,500,000	100%	---

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**AXIS SECURITIES**

ii. Share Holding of Promoters

Sr. 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	144,499,940	99.999958%	---	144,499,940	99.999958%	---	---
	<b>Total</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>---</b>	<b>144,499,940</b>	<b>99.999958%</b>	<b>---</b>	<b>---</b>

iii. Change in Promoters' Shareholding ( please specify, if there is no change): **NO CHANGE**

Sr. No.		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
1.	At the beginning of The year	-	-	-	-
2.	Datewise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3.	At the End of the year	-	-	-	-

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**AXIS SECURITIES**

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
1.	At the beginning of The year	50	0.000035%	50	0.000035%
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	<p><b>14/09/2020</b>  <b>*10 equity shares</b>                      held by Mr. PralayMondalwere transferred to Mr. Ganesh Sankaran&amp;PreethiSankaran</p> <p><b>04/12/2020</b>  <b>*10 equity shares</b>                      held by Mr. Ganesh Sankaran&amp;PreethiSankaranwere transferred to Mr. Ganesh Sankaran.</p> <p><b>12/06/2020</b>                      *Mr. Ravi Narayanan was appointed as a Director who holds10 equity shares</p>	<p>0.000007%</p> <p>0.000007%</p> <p>0</p>	<p>10</p> <p>10</p> <p>0</p>	<p>0.000007%</p> <p>0.000007%</p> <p>0</p>
			0	0	0

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**AXIS SECURITIES**

		<b>24/09/2020</b> *Mr. Rajiv Anandwas appointed as a Director who holds 10 equity shares.			
3.	At the End of the year (or on the date of separation, if separated during the year)	40	0.000028%	40	0.000028%

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No		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
1.	At the beginning of The year	10	0.000007%	10	0.000007%



2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p><b>12/06/2020</b></p> <p>*Mr. Ravi Narayanan was appointed as a Director who holds 10 equity shares</p> <p><b>24/09/2020</b></p> <p>*Mr. Rajiv Anand was appointed as a Director who holds 10 equity shares.)</p> <p><b>14/09/2020</b></p> <p>*Mr. Pralay Mondal resigned as a Director and who held 10 equity shares were transferred to Mr. Ganesh Sankaran &amp; Preeti Sankaran</p>	0.000007%	10	0.000007%
3.	<b>At the End of the year</b>	<b>20</b>	<b>0.000014%</b>	<b>20</b>	<b>0.000014%</b>



**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Amount in Rupees)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,572,306	-	-	1,572,306
<b>Total (i+ii+iii)</b>	1,572,306	-	-	1,572,306
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,261,826,317	6,429,777,750		7,691,604,067
• Reduction	1,263,376,939	2,700,981,247		3,964,358,186
<b>Net Change</b>	(1,550,622)	3,728,796,503	-	3,727,245,881
<b>Indebtedness at the End of the financial year</b>				
i) Principal Amount	-	3,750,000,000	-	3,750,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21,684	(21,203,497)	-	(21,181,813)
<b>Total (i+ii+iii)</b>	21,684	3,728,796,503	-	3,728,818,187

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Gop Kumar Bhaskaran, Managing Director & CEO	Anand Kumar Shaha, Whole Time Director	



1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section	22,118,892	9,994,457	<b>32,113,349</b>
2.	Stock Option	-	698,328	<b>6,98,328</b>
3.	Sweat Equity	-	-	-
4.	Commission - as %of profit - others, specify...	-	-	-
5.	Others, please specify	150,000	-	<b>150,000</b>
	Total (A)	22,268,892	10,692,785	<b>32,961,677</b>
	Ceiling as per the Act		5 % of the net profit	10% of the net profit

*Handwritten signature*

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B. Remuneration to other directors:

(Figures in Rs.)

Sr. No.	Particulars of	Name of Directors								Total Amount
		Rajiv Anand	Pralay Mondal	Babu Rao Busi	Naveen Tahilyani	Bhumika Batra	Ramesh Kumar Bammi	Jagdeep Mallareddy	Ravi Narayan	
1.	Independent Directors • Fee for attending Board & Committee meetings • Commission	---	-	700,000		700,000	50,000	-	-	1,450,000
	Total (1)	---	-	700,000		700,000	50,000	-	-	1,450,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others,	---	-	-	-	-	-	-	-	-
	Total (2)	---	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	---	-	700,000	-	700,000	50,000	-	-	1,450,000
	Total Managerial Remuneration	---								
	Overall Ceiling as per the Act	---	---	---			---	---	1% of the net profit	

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**AXIS SECURITIES**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD  
(Figures in Rs.)

Sr. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Divya Poojari Company Secretary	Mr. Hemant Patel, CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	-	17,73,297	75,84,261	<b>9,357,558</b>
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>1,773,297</b>	<b>7,584,261</b>	<b>9,357,558</b>

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**AXIS SECURITIES**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on Behalf of the Board of Directors

**Rajiv Anand**

Chairman

**DIN:** 02541753

**Address:** D 2203 Vivarea Sane Guruji  
Marg, Saatrasta, Near Jacob Circle,  
Mahalaxmi, Mumbai 400011.

Place: Mumbai

Date: April 15, 2021



## ANNEXURE- B

## PARTICULARS OF FOREIGN EXCHANGE OUTFLOWS

Name of the Party	Particulars of purpose	Amount of Outflow (Rupees in lakhs) FY 2020-21
thescreener.com	Membership and subscription	6
Xceed Software Inc	Membership and subscription	1
Apnic Pty Ltd	Membership and subscription	1
<b>Total</b>		<b>8</b>

For and on Behalf of the Board of Directors



**Rajiv Anand**

Chairman

**DIN:** 02541753

**Address:** D 2203 Vivarea Sane Guruji  
Marg, Saatrasta, Near Jacob Circle,  
Mahalaxmi, Mumbai 400011.

Place: Mumbai

Date: April 15, 2021

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**AXIS SECURITIES**

## FORM 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 transactions under third proviso thereto**

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

a)	Name (s) of the related party and nature of relationship	:	NIL
b)	Nature of contracts/arrangements/transactions	:	NIL
c)	Duration of the contracts / arrangements / transactions	:	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
f)	Date (s) 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 material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	1. Axis Finance Limited (Group Company) 2. Axis Asset Management Company Limited (Common director / Group Company) 3. Axis Bank Limited (Holding Company) 4. Axis Capital Limited (Group Company)
----	--	---	--

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**AXIS SECURITIES**

b)	Nature of contracts/arrangements/transactions	:	<ol style="list-style-type: none"> <li>1. Availing and Rendering of services</li> <li>2. Sale, Purchase or supply of any goods or materials (allotment/ redemption of shares)</li> <li>3. Availing and Rendering of services &amp; Sale, Purchase or supply of any goods or materials</li> <li>4. Availing and Rendering of services</li> </ol>
c)	Duration of the contracts / arrangements / transactions	:	<ol style="list-style-type: none"> <li>1. Continuous</li> <li>2. Continuous</li> <li>3. Continuous, One time</li> <li>4. Continuous</li> </ol>
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	1. Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	23.04.2020
f)	Amount paid as advances, if any	:	NIL

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

  
**Rajiv Anand**

Chairman

**DIN:** 02541753

**Address:** D 2203 Vivarea Sane Guruji Marg, Saatrasta, Near Jacob Circle, Mahalaxmi, Mumbai 400011.

Place: Mumbai

Date: April 15, 2021

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**AXIS SECURITIES**

**ANNEXURE - D**

**Annual Report on CSR Initiatives Pursuant to Section 135 of the Act & Rules made thereunder**

1.	Brief Outline of the CSR Policy	:	The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the Community. For detailed policy, please refer our website <a href="http://www.axissecurities.in">www.axissecurities.in</a>
2.	The Composition of the CSR Committee	:	Ms. Bhumika Batra (Chairperson) Mr. Gop Kumar Bhaskaran (Member) Mr. Babu Rao Busi (Member- Independent Director) Mr. Ravi Narayanan (Member)
3.	Average Net Profit of the Company for last 3 financial years	:	Rs.88,31,77,100
4.	The Prescribed CSR expenditure (2% of amount)	:	Rs.1,76,63,500/- (Rupees One Crore Seventy Six Lakhs Sixty Three Thousand and Five hundred Only)
5.	Details of CSR activities/projects undertaken during the year:		
	a. Total amount to be spent for the financial year	:	Rs.1,76,63,500/- (Rupees One Crore Seventy Six Lakhs Sixty Three Thousand and Five hundred Only)
	b. Amount unspent, if any	:	NIL
	c. Manner in which the amount spent during the financial year	:	Annexure D.1
6.	Reason for not spending the amount	:	NA
7.	Responsibility statement by the CSR Committee that the CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company	:	The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

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**AXIS SECURITIES**

**Annexure D.1**

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Rural Livelihood Mission - Kabil	Livelihood enhancement projects	Guwahati	Rs.1,76,63,500	Rs.1,76,63,500	Rs.1,76,63,500	Through Implementing Agency



**Bhumika Batra**  
**Chairperson, CSR Committee**  
**DIN: 03502004**  
**Address: 32, Mody street, Fort, Mumbai 400001**



**Gopkumar Bhaskaran**  
**Managing Director & CEO**  
**DIN: 07223999**  
**Address: Flat No. 1303/13 Floor, D Wing, RNA Continental, Chembur East, Mumbai-400071**

Place: Mumbai  
 Date: April 15, 2021

Place: Mumbai  
 Date: April 15, 2021



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the year ended 31<sup>st</sup> March, 2021**

*[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 Securities Limited,**

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axis Securities Limited. **CIN No-U74992MH2006PLC163204**(hereinafter called the 'Company') during the financial year from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on :

- (i) our **verification** of the soft copies as provided by the Company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the financial year ended 31<sup>st</sup> March 2021 as well as before the issue of this report,
- (ii) **Compliance Certificates** confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / senior managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and
- (iii) **Representations** made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism are in place

**to the extent, in the manner and subject to the reporting made hereinafter.**

The members are requested to read this report along with our letter of even date annexed to this report as Annexure- A.



## 1. Compliance with specific statutory provisions

### We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with the Companies Act, 2013 and dealing with client
- (c) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;
- (d) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Portfolio Managers) Regulation, 1993.

(v) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards).

1.2 During the period under review, and also considering the compliance related action taken by the company after 31<sup>st</sup> March 2021 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

(i) **Complied with** the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under of paragraph 1.1

(ii) **Generally complied with** the applicable provisions/ clauses of :

(a) The Act and rules mentioned under paragraph 1.1 (i);

(b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board meetings held during the year, the 14<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> June 2020 and Extra Ordinary General Meeting held on November 19, 2020 and the resolution passed by circulation. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi) with regard to the



Board meetings held through video conferencing on various dates were verified based on the minutes of the meetings , shown to us , by the company.

1.3 We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (viii) 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;

1.4 There was no other law that was specifically applicable to the company, considering the nature of its business. Hence the requirement to report on compliance with any other specific law under paragraphs 1.1 and 1.2 above did not arise.

## 2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on 31<sup>st</sup> March 2021 comprised of:

- (i) Two Executive Directors,
- (ii) Two Non- Executive Non- Independent Directors, and
- (iii) Two Non- Executive Independent Directors, including a woman Independent Director

2.2 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act :



- (i) Resignation of Mr. Ramesh Kumar Bammi (DIN: 03411046) was accepted by the Company with effect from April 27, 2020 and was noted by passing circular resolution on May 23, 2020
- (ii) Resignation of Mr. Jagdeep Mallareddy (DIN: 07492539), Director of the Company accepted by the Company with effect from May 19, 2020 and was noted by passing circular resolution on May 23, 2020
- (iii) Re-appointment of Mr. Pralay Mondal (DIN: 00117994) Director retiring by rotation of the Company was approved by members at Annual General Meeting held on June 19, 2020
- (iv) Appointment of Mr. Ravi Narayanan (DIN:08528459) as the Additional Director of the Company approved by passing circular resolution on June 12, 2020 was regularized at Annual General Meeting held on June 19, 2020
- (v) Re-appointment of Mr Anand Kumar Saha (DIN:02421213) as Whole Time Director with effect from March 1, 2020 was approved by members at Annual General Meeting held on June 19, 2020
- (vi) Appointment of Mr. Naveen Tahilyani, (DIN: 06594510) as the Additional Director of the company was approved at the Board Meeting held on July 15, 2020
- (vii) Resignation of Mr. Pralay Mondal (DIN: 00117994), Director of the company was noted by circular resolution passed on September 24, 2020
- (viii) Appointment of Mr. Rajiv Anand (DIN: 02541753) as the Additional Director of the Company was approved by passing circular resolution on September 24, 2020 was regularized at Extra Ordinary General Meeting held on November 19, 2020
- (ix) Resignation of Mr. Naveen Tahilyani (DIN: 06594510), Additional Director of the Company was noted by the board at the Board Meeting held on October 15, 2020.

2.3 Adequate notice was given to all the Directors to enable them to plan their schedule for the Board meetings, except for two meetings which were convened at a shorter notice to transact urgent business.

2.4 Notice of Board meetings was sent to Directors at least seven days in advance as required under Section 173(3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were sent to the Directors at least seven days before the board meetings.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the Board meetings held during the year:



- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

### 3. Compliance mechanism

There are reasonably adequate systems and processes in the Company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, commensurate with the increasing statutory requirements and growth in operations.

### 4. Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:

- (i) Approval of members was accorded by way of ordinary resolution passed at Annual General Meeting held on June 19, 2020 to Increase borrowing limit of the company to sum not exceeding Rs.1000 crores
- (ii) Approval of members was sought by way of Special Resolution passed at Extra Ordinary General Meeting held on November 19, 2020 to borrow by way of Issuance of Non Convertible Debentures
- (iii) Axis Securities had on 26th March, 2021 acquired shares of Max Life Insurance Company Limited (Max Life), by way of transfer of equity shares of Max Life from Max Financial Services Limited. As a result, Axis Securities hold 1,91,88,128 equity shares of Max Life pursuant to transfer of shares.

Place: Mumbai  
Date: 15/04/2021

For BNP & Associates  
Company Secretaries



A handwritten signature in black ink, appearing to read "Avinash Bagul", written over a horizontal line.

**Avinash Bagul**  
Partner  
FCS5578 /CP No.19862  
Peer Review No-637/2019  
UDIN- F005578C000102543  
Firm Reg No-P2014MH037400

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

**Annexure A**

To,  
The Members,  
Axis Securities Limited

Secretarial Audit Report is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after 31<sup>st</sup> March 2021 but before the issue of this report.
4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our 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.

Place: Mumbai  
Date: 15/04/2021

For BNP & Associates  
Company Secretaries



Avinash Bagul  
Partner  
FCS5578 /CP No.19862  
Peer Review No-637/2019  
UDIN- F005578C000102543  
Firm Reg No-P2014MH037400

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Axis Securities Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Axis Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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, as amended ("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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key audit matters	How our audit addressed the key audit matter
<b>Information Technology (IT)</b>	
<p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls implemented in the Information Technology (IT) systems. Consequently, there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records, being misstated. The Company's General Ledger system used for overall financial reporting is interfaced with other systems (which process transactions) impacting significant accounts.</p> <p>We have identified 'IT systems and control' as Key audit matter, since for the revenue recognition, the Company relies on automated processes and controls for recording of revenue.</p>	<p>We have focused on General IT controls i.e. access and change management controls, program, development and computer operations control and IT application controls i.e. controls on relevant system based reconciliation, system generated reports and system/application processing over key financial accounting, reporting systems and control systems.</p> <p>Our audit procedures to assess the effectiveness of IT system included the following:</p> <ul style="list-style-type: none"> <li>• Performed walkthroughs to evaluate the design and implementation of key automated controls. Involved our IT specialist to test the effectiveness of identified IT automated controls and IT systems. IT specialist tested relevant key controls operating over IT in relation to financial accounting and reporting systems, including general controls relating to access and change management controls, program development and computer operations.</li> <li>• IT specialists tested design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and other preventive controls.</li> <li>• Tested password policies, security configuration, system generated reports and system interface controls.</li> <li>• Evaluating the design, implementation and operating effectiveness of identified significant accounts related IT automated controls which are relevant for accuracy of system logic and consistency of data transmission.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 such 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 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 these 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



## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



## **S.R. BATLIBOI & Co. LLP**

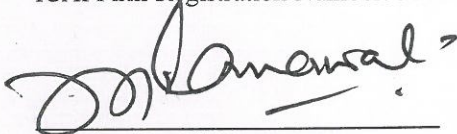
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- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended 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 35 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

UDIN: 21103380AAAABB1494

Place of Signature: Mumbai

Date: 15 April 2021



**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us and audit procedures performed by us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods & service tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax, are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

The provisions relating to employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax, are not applicable to the Company.



# S.R. BATLIBOI & Co. LLP

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- (vii) (c) According to the records of the Company, the dues of income-tax, on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount** (Rs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act	Income Tax pending appeal	27,994,887	AY 2014-2015	CIT (A)	
<b>Total</b>		<b>27,994,887</b>			

The provisions relating to sales-tax, service tax, duty of custom, duty of excise and value added tax, are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of debt instruments in the nature of Commercial Papers for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management and audit procedures performed by us, the 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 Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013.



# **S.R. BATLIBOI & Co. LLP**

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- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

UDIN: 21103380AAAABB1494

Place of Signature: Mumbai

Date: 15 April 2021



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AXIS SECURITIES LIMITED**

**Report on the Internal Financial Controls 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 Securities Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these 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 these 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 these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls 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 controls with reference to [standalone] 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.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **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 control 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.

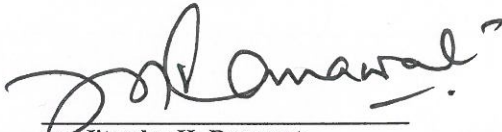
### **Opinion**

In our opinion, the Company has, in all material respects, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Jitendra H. Ranawat**

Partner

Membership Number: 103380

UDIN: 21103380AAAABB1494

Place of Signature: Mumbai

Date: 15 April 2021





Axis Securities Limited			
Balance sheet as at 31 March 2021			
(Currency: Indian Rupees in Lakhs)			
Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
		(₹ in Lakhs)	(₹ in Lakhs)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	21,124	12,237
Bank balance other than (3) above	4	37,591	24,525
<b>Receivables</b>			
(i) Trade receivables	5	11,827	2,743
(ii) Other receivables		-	-
Loans	6	44,371	4,298
Investments	7	6,046	-
Other financial assets	8	5,149	6,156
<b>Total Financial assets</b>		<b>1,26,108</b>	<b>49,959</b>
<b>Non - Financial assets</b>			
Current tax assets (net)	9	1,054	2,850
Deferred tax assets (net)	10	637	502
Property, plant and equipment	11	1,760	1,218
Right-of-use-asset		2,647	1,305
Capital work-in-progress	11	100	138
Intangible assets under development	11	158	97
Other intangible assets	11	1,432	1,498
Other non-financial assets	12	2,181	882
<b>Total Non- Financials assets</b>		<b>9,969</b>	<b>8,490</b>
<b>Total Assets</b>		<b>1,36,077</b>	<b>58,449</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
<b>Payables</b>			
<b>Trade payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises	13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		39,431	19,826
Lease Liabilities		2,808	1,651
Debt Securities	14	37,288	-
Borrowing (other than debt securities)	15	-	16
Other financial liabilities	16	123	196
<b>Total Financials liabilities</b>		<b>79,650</b>	<b>21,689</b>
<b>Non - Financial liabilities</b>			
Provisions	17	5,044	3,262
Other non- financial liabilities	18	3,174	1,916
<b>Total Non-Financials liabilities</b>		<b>8,218</b>	<b>5,178</b>
<b>EQUITY</b>			
Equity share capital	19	14,450	14,450
Other equity	20	33,759	17,132
<b>Total equity</b>		<b>48,209</b>	<b>31,582</b>
<b>Total Liabilities and Equity</b>		<b>1,36,077</b>	<b>58,449</b>

As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

For and on behalf of Board of Directors

Rajiv Anand  
Chairman  
DIN No: 02541753  
Date : 15 April 2021

Gopkumar Bhaskaran  
Managing Director & CEO  
DIN No: 07223999  
Date : 15 April 2021

Anand Shaha  
Whole-time Director  
DIN No: 02421213  
Date : 15 April 2021

per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380  
Place : Mumbai  
Date : 15 April 2021

Hemantkumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Date : 15 April 2021

Divya Poojari  
Company Secretary  
PAN: BIJPP6102N  
Date : 15 April 2021



Axis Securities Limited Statement of Profit and Loss for the year ended 31 March, 2021 (Currency: Indian Rupees in Lakhs)			
Particulars	Notes	Year ended	Year ended
		31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
<b>Continuing operation</b>			
Revenue from operations			
Brokerage and Fee income	21	35,504	17,708
Interest Income	22	6,203	3,045
Net gain / (loss) on fair value changes	23	376	-
<b>Total Revenue from operations</b>		<b>42,083</b>	<b>20,753</b>
Other income	24	614	129
<b>Total Income</b>		<b>42,697</b>	<b>20,882</b>
<b>Expenses:</b>			
Finance cost	25	1,264	363
Impairment on financial instruments	26	1,258	132
Employee benefit expense	27	11,710	7,413
Depreciation amortization and Impairment expense	28	1,650	1,438
Other expenses	29	5,343	4,047
<b>Total expenses</b>		<b>21,225</b>	<b>13,393</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>21,472</b>	<b>7,489</b>
Exceptional items		-	2,845
<b>Profit before tax</b>		<b>21,472</b>	<b>4,644</b>
<b>Tax expense:</b>			
Current tax		(5,705)	(1,424)
Adjustment of tax relating to earlier periods		561	-
Deferred tax		127	(804)
<b>Total tax expense</b>		<b>(5,017)</b>	<b>(2,228)</b>
<b>Profit for the year from continuing operation</b>		<b>16,455</b>	<b>2,416</b>
<b>Discontinued operations</b>			
Profit before tax for the year from discontinued operations	30	-	665
Tax income/ (expense) of discontinued operations		-	(183)
<b>Profit for the year from discontinued operations</b>		<b>-</b>	<b>482</b>
<b>Profit for the year</b>		<b>16,455</b>	<b>2,898</b>
<b>Other comprehensive income (OCI)</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plan		18	(100)
(ii) Income tax relating to items that will not be reclassified to profit or loss		8	(64)
<b>Other comprehensive income for the year, net of income tax</b>		<b>26</b>	<b>(164)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>16,481</b>	<b>2,734</b>
<b>Attributable to:</b>			
Equity holders of the parent		16,481	2,734
<b>Earnings per equity share (nominal value of share ₹10) (31 March 2020: ₹10)]</b>			
Basic (in Rs.)		11.41	1.56
Diluted (in Rs.)		11.41	1.56
<b>Earnings per equity share for discontinued operations (nominal value of share ₹10) (31 March 2020: ₹10)]</b>			
Basic (in Rs.)		-	0.33
Diluted (in Rs.)		-	0.33
<b>Earnings per equity share for continuing operations and discontinued operations (nominal value of share ₹10) (31 March 2020: ₹10)]</b>			
Basic (in Rs.)	33	11.41	1.89
Diluted (in Rs.)	33	11.41	1.89

As per our report of even date  
For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

For and on behalf of Board of Directors

Rajiv Anand  
Chairman  
DIN No: 02541753  
Date : 15 April 2021

Gopkumar Bhaskaran  
Managing Director & CEO  
DIN No: 07223999  
Date : 15 April 2021

Anand Shaha  
Whole-time Director  
DIN No: 02421213  
Date : 15 April 2021

per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380  
Place : Mumbai  
Date : 15 April 2021

Hemant Kumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Date : 15 April 2021

Divya Poojari  
Company Secretary  
PAN: BIJPP6102N  
Date : 15 April 2021



Axis Securities Limited  
Statement of changes in Equity for the year ended 31 March 2021  
(Currency: Indian Rupees in Lakhs)

A. Equity Share capital							(₹ in Lakhs)
Balance as at 31 March, 2019							14,450
Changes in equity share capital during the year							-
Balance as at 31 March, 2020							14,450
Changes in equity share capital during the year							-
Balance as at 31 March, 2021							14,450
B. Other Equity							(₹ in Lakhs)
	Reserves and Surplus				Other Comprehensive Income	Deemed Equity	Total
	Capital reserve	Securities premium	General reserve	Retained earnings			
Balance as at 1 April, 2019	4	1,525	2,254	14,439	(150)	475	18,547
Profit for the year				2,734			2,734
Items of OCI for the year net of tax:							
Remeasurement benefit of defined benefit plans					264		264
Total Comprehensive Income for the year	4	1,525	2,254	17,173	114	475	21,545
Final Equity dividend for FY 18-19 [(amount per share ₹2.30)]				(3,324)			(3,324)
Dividend distribution tax				(683)			(683)
Any other changes:							
Additions during the year				(521)		115	(406)
Transfer to general reserves			159	(159)			-
Balance as at 31 March, 2020	4	1,525	2,413	12,486	114	590	17,132
Balance as at 1 April, 2020	4	1,525	2,413	12,486	114	590	17,132
Profit for the year				16,481			16,481
Items of OCI for the year net of tax:							
Remeasurement benefit of defined benefit plans					(15)		(15)
Total Comprehensive Income for the year	4	1,525	2,413	28,967	99	590	33,598
Any other changes:							
Additions during the year (net)						161	161
Transfer to general reserves			1,648	(1,648)			-
Balance as at 31 March, 2021	4	1,525	4,061	27,319	99	751	33,759

As per our report of even date  
For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

For and on behalf of Board of Directors

Rajiv Anand  
Chairman  
DIN No: 02541753  
Date : 15 April 2021

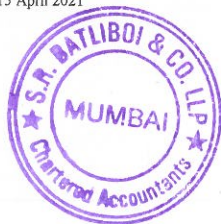
Gopkuma Bhaskaran  
Managing Director & CEO  
DIN No: 07223999  
Date : 15 April 2021

Hemantkumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
Date : 15 April 2021

Anand Shaha  
Whole-time Director  
DIN No: 02421213  
Date : 15 April 2021

Divya Poojari  
Company Secretary  
PAN: BJPP6102N  
Date : 15 April 2021

per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380  
Place : Mumbai  
Date : 15 April 2021



Axis Securities Limited		
Cash flow statement for the year ended 31 March 2021		
(Currency: Indian Rupees in Lakhs)		
Particulars	Year ended	Year ended
	31 March, 2021	31 March, 2020
<b>Cash flow from operating activities</b>		
Profit before taxes from continuing operations	21,472	4,644
Profit/(loss) before tax from discontinued operations	-	665
<b>Profit before tax</b>	21,472	5,309
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation amortization and Impairment expense	1,650	1,891
Gain on disposal of investment	-	(129)
Net loss on disposal of property, plant and equipment	34	52
Interest income	(2,208)	(1,189)
Provision for doubtful debts	1,191	53
Share based payments to employees	161	115
Finance charges	1,264	363
Operating profit before working capital changes	23,564	6,465
<b>Adjustments for changes in working capital</b>		
(Increase) / Decrease in trade receivables	(10,074)	2,515
(Increase) / Decrease in loans	(40,274)	5,941
(Increase) / Decrease in other financial assets	(913)	(4,532)
(Increase) / Decrease in other non Financial assets	(1,299)	4,396
Increase / (Decrease) in trade payables	19,605	7,898
Increase / (Decrease) in other financial liabilities	(73)	100
Increase / (Decrease) in provision	1,782	2,125
Increase / (Decrease) in other non financial liabilities	1,263	(7,794)
<b>Cash (used in) / generated from operations</b>	(6,419)	17,114
Income tax paid (net)	(3,348)	(1,641)
<b>Net cash (used in) / generated from Operating activities (A)</b>	<b>(9,767)</b>	<b>15,473</b>
<b>Cash flow from Investing activities</b>		
Investment in bank fixed deposit under lien with exchange	(10,726)	(15,132)
Interest on bank fixed deposit under lien with exchange	1,773	1,276
Purchase of property, plant and equipment	(1,228)	(835)
Proceeds from sale of property, plant and equipment	31	1,027
Increase in Capital work in progress	38	-
Investment in mutual funds	-	(79,530)
Redemption of mutual funds	-	79,716
Investment in Equity shares	(6,046)	-
Purchase of intangible assets incl. intangible under developments	(592)	(581)
<b>Net cash (used in) / generated from Investing activities (B)</b>	<b>(16,750)</b>	<b>(14,059)</b>
<b>Financing activity</b>		
Interest paid on borrowings	(1,046)	(231)
Interest Paid on Lease liabilities	(218)	(132)
Payment of Lease liabilities	(604)	1,656
Payment of Dividend	-	(4,007)
Borrowing other than Debt Securities	(16)	-
Proceeds from issuance of Commercial paper (Net)	37,288	-
<b>Net cash (used in) / generated from Financing activities (C)</b>	<b>35,404</b>	<b>(2,714)</b>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	8,887	(1,300)
Cash and cash equivalents at the beginning of the year	12,237	13,537
<b>Cash and cash equivalents at the end of the period/year</b>	<b>21,124</b>	<b>12,237</b>



Axis Securities Limited		
Cash flow statement for the year ended 31 March 2021		
(Currency: Indian Rupees in Lakhs)		
Particulars	Year ended	Year ended
	31 March, 2021	31 March, 2020
<b>Components of cash and cash equivalents</b>		
Cash and Cash Equivalents comprises of :		
<b>Balances with banks:</b>		
- In current accounts	21,122	12,235
- Balance in prepaid cards	2	2
- Deposits with original maturity of less than three months	-	-
<b>Cash in hand</b>	-	-
<b>Total Cash and Cash Equivalents</b>	<b>21,124</b>	<b>12,237</b>

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

Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

For and on behalf of Board of Directors

Rajiv Anand  
Chairman  
DIN No: 02541753  
Date : 15 April 2021

Gopkumar Bhaskaran  
Managing Director & CEO  
DIN No: 07223999  
Date : 15 April 2021

Hemantkumar Patel  
Chief Financial Officer  
PAN: AGOPP9611N  
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Whole-time Director  
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Company Secretary  
PAN: BIJPP6102N  
Date : 15 April 2021

per Jitendra H. Ranawat  
Partner  
Membership No. :- 103380  
Place : Mumbai  
Date : 15 April 2021



## Axis Securities Limited

### Notes forming part of the financial statements for the year ended 31 March 2021

#### 1 Corporate Information

Axis Securities Limited ('the Company') is public company domiciled in India and is incorporated under the provision of Companies Act applicable in India. The Company is engaged in the business of broking, distribution of financial products and advisory services. The Company is a depository participant of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and is also registered as a portfolio manager with Securities and Exchange Board of India (SEBI). The Company is registered as a Mutual Fund Advisor with Association of Mutual Funds in India (AMFI) and also acts as a corporate agent with the Insurance Regulatory and Development Authority ("IRDA"). The Company is debt listed public limited Company and is a wholly owned subsidiary of Axis Bank Limited (the "Parent").

#### 2 Basis of preparation

##### Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, other financial assets held for trading, share-based payments and certain financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Net defined benefit (assets) / liability are measured at fair value of plan assets less present value of defined benefit obligation.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company's financial statements are presented in Indian Rupees (INR)/₹, which is also its functional currency and all values are rounded to nearest lakhs, except when otherwise indicated.

The Balance Sheet, The Statement of changes in Equity and the Statement of Profit and loss are presented in the format prescribed under Division III of Schedule III of the Companies Act, as amended from time to time that are required to comply with Ind AS. The statement of Cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash flows.

#### 2.1 Significant accounting policies

##### i Use of estimates and Judgements

The preparation of the financial statements in conformity with the Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the end of the reporting period. Actual results could differ from those estimates. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



Axis Securities Limited

Notes forming part of the financial statements for the year ended 31 March 2021

**(a) Determination of the estimated useful lives of tangible assets:**

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

**(b) Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions.

**(c) Recognition of deferred tax assets / liabilities:**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised.

**(d) Recognition and measurement of provision and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

**(e) Determining whether an arrangement contains a lease:**

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

**(f) Impairment of financial assets:**

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**(g) Determination of lease term**

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**(h) Discount rate for lease liability**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.



**(i) Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

**ii Measurement of Fair Value**

The Company measures financial instruments such as investment in mutual funds, debentures at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The Principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses Net Asset Value (NAV) to fair value investments in mutual funds.

**Fair value hierarchy**

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**iii Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when Company becomes party to the contractual provisions of the instruments.





**Axis Securities Limited**

**Notes forming part of the financial statements for the year ended 31 March 2021**

**(a) Recognition and Initial measurements**

Financial assets and liabilities, with the exception of loans, deposits, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades, purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Loans are recognised when funds are transferred to the customers' account. The company recognises debt securities, deposits and borrowings when funds reach the company.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

**(b) Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at :

- Amortized Cost (AC)
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. The Company classifies its financial assets in the following measurement categories:

**Financial assets measured at amortized cost**

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down for impairment) unless the asset is designated at FVTPL under the fair value option.

**Business model test:**

The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

**Cash flow characteristics test:**

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets measured at Fair value**

A financial asset which is not classified at amortized cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).

The assets classified in the aforementioned categories are subsequently measured as follows:

**Financial assets at Fair Value Through Profit or Loss (FVTPL):**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL.



**Axis Securities Limited**

**Notes forming part of the financial statements for the year ended 31 March 2021**

**Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):**

These assets are subsequently measured at fair value. Interest income under the effective interest method, dividends (unless the dividend clearly represents a recovery of part of the cost of the investment), foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Classification, subsequent measurement and gains and losses**

**Financial Liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(c) De-recognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

**iv Reclassification of financial assets and financial liabilities**

An entity is required to reclassify financial assets when and only when it changes its business model for managing financial assets.

Reclassifications are expected to be very infrequent. Such changes must be determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties.

Further re- classification is not allowed in following cases;

- Investments in equity instruments irrevocably designated as at FVTOCI cannot be reclassified.
- Reclassification of financial liabilities



Notes forming part of the financial statements for the year ended 31 March 2021

v **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the Contractual cash flows.

vi **Revenue from Contracts with Customers**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on five step model as set out in Ind AS 115 :

Step 1: Identify Contract(s) with a customer : A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 : Determine the transaction price : The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer , excluding amounts collected on behalf of third parties.

Step 4 : Allocate the transaction price to the performance obligations in the contract : For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 : Recognise revenue when (or as ) the company satisfies performance obligation.

(a) **Business sourcing and resource management**

The Company recognises the fee income on periodic bases based on the quantum of services provided at agreed rates.

(b) **Brokerage Income**

Revenue recognition for brokerage fees can be divided into the following two categories:

1) **Brokerage fees – point in time**

Brokerage income on securities is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date.

2) **Brokerage fees – over the time**

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of plan.



**Axis Securities Limited**

**Notes forming part of the financial statements for the year ended 31 March 2021**

- (c) 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.
- (d) **Portfolio management fees**  
Portfolio management fees are recognised when corpus is offered for investment by the customer. Subsequently fees are charged at contracted rates periodically.  
Further, fees are charged on withdrawal of invested funds before a specified period.
- (e) **Depository fees**  
Depository fees are recognized based on completion of the transactions.
- (f) **Interest income**  
Interest income is recognised using the effective interest rate method.
- (g) **Income from investments**  
Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

**vii. Property, plant and equipment**

**(a) Recognition and measurement**

Property, plant and equipment are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. Cost comprises Purchase price and expenses directly attributable to bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

**(b) Subsequent expenditure**

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of profit and loss for the period during which such expenses are incurred.

**(c) Depreciation**

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.

For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Assets	Estimated useful life
Leasehold improvements	Over the remaining period of the lease
Electrical fittings and other equipments	10 years
Furniture and fittings	10 years
Office equipments	5 years
Computers Hardware	3 years



Axis Securities Limited

Notes forming part of the financial statements for the year ended 31 March 2021

For the following categories of Property, plant and equipment, the Company has assessed useful life based on technical advice, taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

Assets	Estimated useful life
Motor Vehicle	4 years
Mobile Equipment	2 years

All Property, plant and equipment costing less than Rs. 5,000 individually are fully depreciated in the year of purchase. Useful lives are reviewed at each financial year end and adjusted if required.

viii. Intangible assets

(a) Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

(b) Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(c) Amortisation

Intangible assets are amortised on a straightline basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Assets	Estimated useful life
Computer Software	5 Years

All intangible assets costing less than Rs. 5,000 individually are fully amortised in the year of acquisition.



**ix. Impairment of non Financial Assets**

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

**x. Leases**

**The Company as lessee**

The Company lease asset primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate of the Company, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



**Axis Securities Limited**

**Notes forming part of the financial statements for the year ended 31 March 2021**

**xi. Borrowings**

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

**xii. Retirement and other employee benefits**

**(a) Short term employee benefits**

Short term employee benefits include salaries and short term cash bonus. A liability is recognised for the amount expected to be paid under short-term cash bonus or target based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

**(b) Defined Contribution Plan**

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

**(c) Defined benefits Plan**

The Company pays gratuity, a defined benefit plan, to its employees on account of retirement or resignation. A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.



**(d) Share based payments**

Share based payment arrangement includes arrangement between entity and employees. Most common application is Employee stock options (ESOP) payment. All transactions involving share based payment are recognized as expenses or assets over underlying vesting period. All equity settled share based payments are measured at fair value as on grant date for employee services and expenses are recognized over vesting period.

**Equity Settled Transaction**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

**xiii. Income taxes**

Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

**Current income 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. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.





## Axis Securities Limited

### Notes forming part of the financial statements for the year ended 31 March 2021

Current income tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

#### xiv. Foreign currency transactions

The functional currency and the presentation currency of the Company is Indian Rupees. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of revenue transactions are recognised in the standalone statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

#### xv. Segment reporting policies

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

#### xvi. 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 from continuing and discontinued operations separately.

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 from continuing and discontinued operations separately.



**Axis Securities Limited**

**Notes forming part of the financial statements for the year ended 31 March 2021**

**xvii. 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.

**xviii Contingent liabilities and assets**

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. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed.

Bank Guarantee : Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation.

**xix. Cash and cash equivalents**

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposit with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



3. Cash and cash equivalent

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Cash and cash equivalents</b>		
Balances with banks:		
– In current accounts	21,122	12,235
– Balance in prepaid cards	2	2
Cash in hand	-	-
	<b>21,124</b>	<b>12,237</b>

4. Bank balances other than (3) above

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Bank balances</b>		
Fixed deposits with banks**	37,046	24,400
Interest accrued on fixed deposits	545	125
	<b>37,591</b>	<b>24,525</b>

\*\* Fixed deposits under lien with stock exchanges amounted to ₹ 23,595 lakhs (March 31, 2020 : ₹ 17,669 lakhs)  
Kept as collateral security towards bank guarantees issued amounted to ₹ 11,766 lakhs (March 31, 2020 : ₹ 5,066 lakh)  
Kept as collateral security against bank overdraft facility amounted to ₹ 1,665 lakh (March 31, 2020 : ₹ 1,665 lakh) and others not lien ₹ 20 lakh (March 31, 2020 : ₹ NIL)

5. Trade receivables

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
(a) Receivable consider good - Secured	1,103	144
(b) Receivable consider good - Unsecured	12,016	2,901
Less: Impairment Loss Allowances	(1,292)	(302)
<b>Total</b>	<b>11,827</b>	<b>2,743</b>

No trade or other receivable are due from directors of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6. Loans

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>At Amortised Cost</b>		
Margin Trading Funding*	44,594	4,320
Less : Allowances for impairment loss	(223)	(22)
	<b>44,371</b>	<b>4,298</b>

\*This represent the margin trading facility extended to broking customers which are fully secured against cash and/ or collateral of approved securities.

7. Investments

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>At fair value through other Comprehensive income</b>		
<b>Investment in India</b>		
<b>Equity Instruments (Un-quoted)</b>		
Max Life Insurance Company Limited (Face value Rs.10, Qty : 19,188,128)	6,046	-
	<b>6,046</b>	<b>-</b>



8. Other financial asset

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Security deposit</b>		
-Unsecured, considered good	704	524
-Unsecured, considered doubtful	26	26
	<b>730</b>	<b>550</b>
Less: Provision for doubtful receivable	(26)	(26)
	<b>704</b>	<b>524</b>
Margin monies with clearing member	1,895	700
<b>A</b>	<b>2,599</b>	<b>1,224</b>
Fixed Deposits*	2,549	4,889
Interest accrued on fixed deposits	1	43
<b>B</b>	<b>2,550</b>	<b>4,932</b>
<b>Total (A) + (B)</b>	<b>5,149</b>	<b>6,156</b>

\*With balance maturity of more than 12 months as at the balance sheet date

9. Current tax assets (net)

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
Advance income-tax (net)	1,054	2,850
	<b>1,054</b>	<b>2,850</b>

10. Deferred tax

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Temporary differences attributable to:</b>		
<b>Deferred tax liabilities</b>		
Right of use of assets	651	511
	<b>651</b>	<b>511</b>
<b>Deferred tax Assets</b>		
Gratuity	-	41
Others	14	23
Impairment on Financial Assets	365	78
On Depreciation, impairment and amortisation	177	176
Lease Liabilities	707	678
Employee benefits-OCI	25	17
	<b>1,288</b>	<b>1,013</b>
<b>Net deferred tax asset /( liability) recognised on the balance sheet</b>	<b>637</b>	<b>502</b>



11. Property, plant and equipment

(₹ in Lakhs)							
Particulars	Improvements to leasehold premises	Furniture	Office equipment	Computers	Motor vehicle	Capital work-in-progress	Total
<b>Cost or valuation</b>							
At 1 April 2019	590	297	730	2,311	-	35	3,963
Inter Departmental Transfer	636	950	234	340	-	-	2,160
Additions	89	-	14	628	69	138	938
Disposals	655	966	285	321	-	35	2,262
<b>At 1 April 2020</b>	<b>660</b>	<b>281</b>	<b>693</b>	<b>2,958</b>	<b>69</b>	<b>138</b>	<b>4,799</b>
Inter Departmental Transfer	-	-	-	-	-	-	-
Additions	42	35	129	1,003	18	100	1,327
Disposals	25	71	114	90	-	138	438
<b>At 31 March 2021</b>	<b>677</b>	<b>245</b>	<b>708</b>	<b>3,871</b>	<b>87</b>	<b>100</b>	<b>5,688</b>
<b>Depreciation and impairment</b>							
At 1 April 2019	337	169	516	1,876	-	-	2,898
Inter Departmental Transfer	223	381	141	272	-	-	1,017
Depreciation charge for the year	133	85	126	316	4	-	664
Disposals	289	460	202	297	-	-	1,248
Impairment	71	42	(1)	-	-	-	112
<b>At 1 April 2020</b>	<b>475</b>	<b>217</b>	<b>580</b>	<b>2,167</b>	<b>4</b>	<b>-</b>	<b>3,443</b>
Inter Departmental Transfer	-	-	-	-	-	-	-
Depreciation charge for the period*	94	28	100	407	19	-	648
Disposals	9	36	101	89	-	-	235
Impairment	7	(32)	(3)	-	-	-	(28)
<b>At 31 March 2021</b>	<b>567</b>	<b>177</b>	<b>576</b>	<b>2,485</b>	<b>23</b>	<b>-</b>	<b>3,828</b>

Particulars	Improvements to leasehold premises	Furniture	Office equipment	Computers	Motor vehicle	Capital work-in-progress	Total
<b>Net book value</b>							
At 31 March 2021	110	68	132	1,386	64	100	1,860
At 31 March 2020	185	64	113	791	65	138	1,356

Net book value	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
Property, plant and equipment	1,760	1,218
Capital work-in-progress	100	138

11. Other Intangible assets

(₹ in Lakhs)			
Particulars	Software	Intangible asset under development	Total
<b>Cost or valuation</b>			
At 1 April 2019	3,308	42	3,350
Interdepartmental Transfer	261	-	261
Additions	616	97	713
Disposals	212	42	254
<b>At 1 April 2020</b>	<b>3,973</b>	<b>97</b>	<b>4,070</b>
Interdepartmental Transfer	-	-	-
Additions	531	158	689
Disposals	-	97	97
<b>At 31 March 2021</b>	<b>4,504</b>	<b>158</b>	<b>4,662</b>
<b>Depreciation and impairment</b>			
At 1 April 2019	1,921	-	1,921
Interdepartmental Transfer	108	-	108
Additions	558	-	558
Disposals	112	-	112
Discontinued operations	-	-	-
<b>At 1 April 2020</b>	<b>2,475</b>	<b>-</b>	<b>2,475</b>
Interdepartmental Transfer	-	-	-
Depreciation charge for the year*	597	-	597
Disposals	-	-	-
<b>At 31 March 2021</b>	<b>3,072</b>	<b>-</b>	<b>3,072</b>

Particulars	Software	Intangible asset under development	Total
<b>Net book value</b>			
At 31 March 2021	1,432	158	1,590
At 31 March 2020	1,498	97	1,595

Net book value	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
Other Intangible assets	1,432	1,498
Intangible asset under development	158	97



12. Other non - financial asset

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Others</b>		
Advances recoverable in cash or kind (refer note 51)	1,522	326
<b>Others</b>		
Prepaid expenses	407	314
Balances with statutory / government authorities	252	242
<b>Total</b>	<b>2,181</b>	<b>882</b>

13. Trade payables

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Trade payables</b>		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	39,431	19,826
<b>Total</b>	<b>39,431</b>	<b>19,826</b>

14. Debt Securities

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>At amortised Cost</b>		
Commercial papers - Unsecured	37,500	-
Less: Unamortised discount	(212)	-
<b>Total</b>	<b>37,288</b>	<b>-</b>
<b>Commercial paper (unsecured)</b>		
Amount outstanding	37,288	-
Tenure	85 - 180 days	-
Rate of interest	3.51% to 4.44%	-
Repayment schedule	At maturity	-

15. Borrowing (other than debt securities)

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>At amortised Cost</b>		
Cash credit lines		
-From Bank *	-	10
-Others	-	6
<b>Total</b>	<b>-</b>	<b>16</b>

\* amount is less than 1 lakh

16. Other financial liabilities

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
Expense creditors		
- Due to holding company	18	89
- Due to others	105	107
<b>Total</b>	<b>123</b>	<b>196</b>



17. Provisions

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Provision for employee benefits</b>		
Payroll & employee benefits	2,964	1,919
Gratuity payable	99	228
<b>A</b>	<b>3,063</b>	<b>2,147</b>
<b>Others</b>		
Provision for expenses	1,981	1,115
<b>B</b>	<b>1,981</b>	<b>1,115</b>
<b>Total (A) + (B)</b>	<b>5,044</b>	<b>3,262</b>

18. Other non- financial liabilities

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Other liabilities</b>		
Income received in advance	1,486	111
Undisputed statutory dues	1,059	654
Sundry creditors for capital expenditure	24	20
Salary & incentive payable	307	848
Others	298	283
<b>Total</b>	<b>3,174</b>	<b>1,916</b>

19. Share Capital

Authorized share capital

	Equity Shares	
	No. in Lakhs	(₹ in Lakhs)
At 1 April 2019	1,500	15,000
Increase/(decrease) during the year	1,000	10,000
At 31 March 2020	2,500	25,000
Increase/(decrease) during the year	-	-
At 31 March 2021	2,500	25,000

Terms/ rights 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 ratified by the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued, Subscribed & Paid up

	No. in Lakhs	(₹ in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2019	1445	14,450
Changes during the year	-	-
At 31 March 2020	1445	14,450
Changes during the year	-	-
At 31 March 2021	1445	14,450

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:

	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
Axis Bank Limited, the holding company and its nominees		
1,445 lacs (31 March 2020: 1,445 lacs) equity shares of INR 10/- each	14,450	14,450

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

Name of the shareholder	31 March, 2021	
	Nos in lakhs	%
Axis Bank Limited, the holding company and its nominees	1445	100.00
Name of the shareholder	31 March, 2020	
	Nos in lakhs	%
Axis Bank Limited, the holding company and its nominees	1445	100.00



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.

## 20. Other Equity

Particulars	31 March, 2021	31 March, 2020
	(₹ in Lakhs)	(₹ in Lakhs)
<b>Capital Reserve</b>		
Opening balance	4	4
Add : Additions during the year (net)	-	-
Closing balance	4	4
<b>Securities premium</b>		
Opening balance	1,525	1,525
Add : Additions during the year (net)	-	-
Closing balance	1,525	1,525
<b>General reserve</b>		
Opening balance	2,413	2,254
Add : Additions during the year (net)	1,648	159
Closing balance	4,061	2,413
<b>Deemed Equity</b>		
Opening balance	590	475
Add : Additions during the year (net)	161	115
Closing balance	751	590
<b>Retained Earnings</b>		
Opening balance	12,486	14,439
Add / (Less): Other comprehensive income for the year	26	(164)
Add: Profit after tax for the year	16,455	2,898
Additions/ (Deletions) during the year	-	(521)
	28,967	16,652
Less: Appropriations		
- Dividend on equity shares	-	(3,324)
- Dividend distribution tax on equity dividend	-	(683)
- Transfer to general reserves	(1,648)	(159)
Closing balance	27,319	12,486
<b>Other Comprehensive Income</b>		
Opening balance	114	(150)
Add : Additions during the year (net)	(15)	264
Closing balance	99	114
<b>Total</b>	<b>33,759</b>	<b>17,132</b>

### Capital reserve

Capital reserve is created by capital profits of the company which is not kept for distribution to the shareholders in the form of dividend. This is included in the retained earning statements.

### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of Companies Act.

### General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to general reserve can be utilised only in accordance with the specific requirements of Companies Act 2013.





21. Brokerage and Fee Income

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Brokerage Income	27,573	13,888
Fee Income	1,327	1,303
Depository Income	6,604	2,517
<b>Total</b>	<b>35,504</b>	<b>17,708</b>

22. Interest Income

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
<b>On Financial Assets measured at Amortised Cost</b>		
Interest on Loans	3,995	1,845
Interest on deposits with Banks	2,193	1,185
Interest on Security deposits	15	15
<b>Total</b>	<b>6,203</b>	<b>3,045</b>

23. Net gain / loss on fair value changes

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
<b>Investments</b>		
Profit on trading - Securities held for trading (net)	376	-
	<b>376</b>	<b>-</b>
<b>Fair value changes</b>		
Realised	376	-
Unrealised	-	-

24. Other income

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Profit on sale of investments (fair value through P & L)	-	129
Miscellaneous income & interest on income tax refund	614	-
<b>Total</b>	<b>614</b>	<b>129</b>

25. Finance cost

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Bank guarantee commission	142	104
Interest expense	904	128
Interest expenses on lease liabilities	218	131
<b>Total</b>	<b>1,264</b>	<b>363</b>

26. Impairment on financial instruments

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
<b>On Financial Instruments measured at Amortised Cost</b>		
Loans	201	22
Trade & Other Receivable	990	(5)
Bad debts	67	115
<b>Total</b>	<b>1,258</b>	<b>132</b>



27. Employee benefits expense

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Salaries, wages and bonus	11,084	6,886
Contribution to provident and other funds	414	285
Staff welfare expenses	123	64
Gratuity expense	89	178
<b>Total</b>	<b>11,710</b>	<b>7,413</b>

28. Depreciation and amortization expense

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Depreciation of tangible assets	648	483
Amortization of intangible assets	597	525
Impairment of tangible assets	(28)	112
Amortization of right-of-use assets	433	318
<b>Total</b>	<b>1,650</b>	<b>1,438</b>

29. Other expense

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Rent (premises)	88	10
Stamp, registration and exchange charges	4	2
Franking charges	240	102
Advertisement and sales promotion	330	114
Rates and taxes	29	80
Insurance	17	7
Housekeeping expenses	202	114
Security charges	61	51
Repair and maintenance- others	80	66
Travelling and conveyance	488	208
Communication cost	712	560
Call center cost	196	159
Information technology expenses	1,241	1,099
Loss on sale of fixed assets	34	51
Printing & stationery	142	236
Legal and professional fees	395	248
Royalty charges	62	27
Director's sitting fees	15	13
Auditors' remuneration :		
- Audit fee	28	25
- Out of pocket expenses	1	-
- Limited review audit fees	7	-
- Certification	1	5
Expense towards Corporate Social Responsibility (Note 41)	177	194
Electricity and water charges	164	144
Office expenses	31	26
Membership & subscription fees	105	102
Recruitment and training expenses	70	80
Allocated Expenses	-	1
Miscellaneous expenses	43	20
Sub brokerage	68	-
DP- Transaction Charges	312	228
ROC filing fees	-	75
<b>Total</b>	<b>5,343</b>	<b>4,047</b>



### 30. Discontinued operations

On 28 March 2019, Both Axis Bank Ltd and Axis Securities Ltd (ASL) have mutually taken decision to exit Non Broking business pertaining to retail assets, credit cards, resource management services etc. services offered by ASL to Axis Bank. During the transition of business subject to terms and conditions compulsorily and expressly accepted by both the parties, the transition cost incurred by ASL from April 1, 2019 onward till the arrangement is terminated will be billed to Axis Bank. Being a discontinued operation, that segment is no longer presented in the segment note.

Profit & Loss Statement of discontinued operations	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Revenue from operation	-	2,789
Other Income	-	66
<b>Total Revenue</b>	-	<b>2,855</b>
<b>Expenses</b>		
Employee benefit expense	-	1,410
Depreciation amortization expense and Impairment	-	698
Interest paid on lease liabilities	-	30
Other expenses	-	52
<b>Total Expense</b>	-	<b>2,190</b>
<b>Profit/(loss) before tax from a discontinued operation</b>	-	<b>665</b>
Tax (expenses)/income:	-	(183)
<b>Profit/(loss) for the year from a discontinued operation</b>	-	<b>482</b>

The major classes of assets and liabilities of Axis Securities Limited classified as held for distribution to equity holders as at 31 March 2021 are, as follows:

	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
<b>Assets</b>		
Property, plant and equipment	-	-
Intangible assets	-	-
Other financial assets	-	-
Other current assets	-	-
Trade receivable	-	-
Cash and cash equivalent	-	-
Assets classified as held for distribution	-	-
<b>Liabilities</b>		
Net employee defined benefit liabilities	-	-
Long term provisions	-	-
Short term provisions	-	-
Liabilities for statutory dues	-	-
Other current liabilities	-	-
<b>Liabilities directly associated with assets classified as held for distribution</b>	-	-
<b>Net assets directly associated with disposal group</b>	-	-

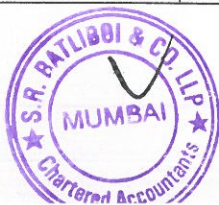
The net cash flows incurred by discontinuing operations are as follows:

	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Operating	-	481
Investing	-	-
Financing	-	-
<b>Net cash (outflow)/inflow</b>	-	<b>481</b>

Earnings per share:	31 March, 2021	31 March, 2020
Basic, profit/(loss) for the year from discontinued operation	-	0.33
Diluted, profit/(loss) for the year from discontinued operation	-	0.33

Earnings per share (EPS)

Particulars	31 March, 2021 (₹ in Lakhs)	31 March, 2020 (₹ in Lakhs)
Profit attributable to equity holders of the parent:		
Continuing operations	16,481	2,252
Discontinued operation	-	482
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>16,481</b>	<b>2,734</b>
Weighted average number of Equity shares for basic EPS	1,445	1445
<b>Earnings per share</b>	<b>31 March, 2021 (₹ in Lakhs)</b>	<b>31 March, 2020 (₹ in Lakhs)</b>
Basic EPS from Continuing operations	11.41	1.56
Diluted EPS from Continuing operations	11.41	1.56
Basic EPS from Discontinued operation	-	0.33
Diluted EPS from Discontinued operation	-	0.33



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

31 FINANCIAL INSTRUMENTS

A Financial Instruments - Fair Values

1 Accounting classification and fair values

The following table shows the carrying amounts of financial instruments as at March 31, 2021 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows:

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	21,124	-	-	21,124	21,124
2 Other Bank balances	37,591	-	-	37,591	37,591
3 Trade receivables	11,827	-	-	11,827	11,827
4 Loans	44,371	-	-	44,371	44,371
5 Investments	-	-	6,046	6,046	6,046
6 Other financial assets	5,149	-	-	5,149	5,149
<b>Total</b>	<b>1,20,062</b>	<b>-</b>	<b>6,046</b>	<b>1,26,108</b>	<b>1,26,108</b>
<b>Financial Liabilities</b>					
1 Trade payables	39,431	-	-	39,431	39,431
2 Lease Liabilities	2,808	-	-	2,808	2,808
3 Debt Securities	37,288	-	-	37,288	37,288
4 Borrowing (other than debt securities)	-	-	-	-	-
5 Other financial liabilities	123	-	-	123	123
<b>Total</b>	<b>79,650</b>	<b>-</b>	<b>-</b>	<b>79,650</b>	<b>79,650</b>

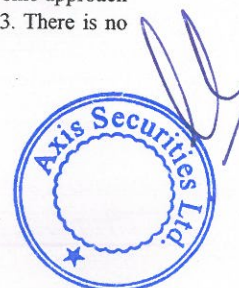
The following table shows the carrying amounts of financial instruments as at March 31, 2020 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	12,237	-	-	12,237	12,237
2 Other Bank balances	24,525	-	-	24,525	24,525
3 Trade receivables	2,743	-	-	2,743	2,743
4 Loans	4,298	-	-	4,298	4,298
5 Other financial assets	6,156	-	-	6,156	6,156
<b>Total</b>	<b>49,959</b>	<b>-</b>	<b>-</b>	<b>49,959</b>	<b>49,959</b>
<b>Financial Liabilities</b>					
1 Trade payables	19,826	-	-	19,826	19,826
2 Lease Liabilities	1,651	-	-	1,651	1,651
3 Debt Securities	-	-	-	-	-
4 Borrowing (other than debt securities)	16	-	-	16	16
5 Other financial liabilities	196	-	-	196	196
<b>Total</b>	<b>21,689</b>	<b>-</b>	<b>-</b>	<b>21,689</b>	<b>21,689</b>

2 Fair value hierarchy of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

The following table summarises financial instruments measured at fair value on recurring basis:

As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial Instruments</b>				
Investment in Equity Shares	-	-	6,046	6,046

**3 Financial instruments not measured at fair value**

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature. Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

**B Financial risk management**

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks. Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

The Company has exposure to the following risk arising from financial instruments:

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

**a) Credit risk**

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

Particulars	31-Mar-21	31-Mar-20
Trade and other receivables (net of impairment)	11,827	2,743
Loans (net of impairment)	44,371	4,298
Total	56,198	7,041

**Trade receivable**

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 90 days overdue.

The Company follows below probability of default percentage for ECL provision on trade receivables

- 1) Overdue for more than 90 days but less then 180 days - Probability of default (PD) is considered as 50% of the balance is credit impaired.
- 2) Overdue for more than 180 days - PD is considered as 100% of the balance is credit impaired.



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

Following table provides information about exposure to credit risk and ECL on Trade receivables

Days past dues for Trade receivable	0-90 days	91-180 days	More than 180 days	Total
<b>Trade receivable</b>				
Carrying Value	11,781	92	1,246	13,119
ECL	-	(46)	(1,246)	(1,292)
<b>Net Value</b>	<b>11,781</b>	<b>46</b>	<b>-</b>	<b>11,827</b>
<b>Carrying Value</b>	<b>2,707</b>	<b>74</b>	<b>264</b>	<b>3,045</b>
<b>ECL</b>	<b>-</b>	<b>(38)</b>	<b>(264)</b>	<b>(302)</b>
<b>Net Value</b>	<b>2,707</b>	<b>36</b>	<b>-</b>	<b>2,743</b>

**Loans**

Loans comprise of margin trade funding for which a staged approach is followed for determination of ECL.

The Company assesses allowance for expected credit losses for loans. The ECL allowance is assessed based on the 12 months' expected credit loss. ECL is calculated on collective basis for loans. The Company has not experienced any loss on its loan portfolio historically. Accordingly the Company has applied 0.50% of ECL on the entire loan portfolio.

Following table provides information about exposure to credit risk and ECL on Loan

Days past dues for Trade receivable	0-90 days	90-180 days	More than 180 days	Total
<b>Loans</b>				
Carrying Value	43,850	742	2	44,594
ECL	(219)	(4)	-	(223)
<b>Net Value</b>	<b>43,631</b>	<b>738</b>	<b>2</b>	<b>44,371</b>
<b>Carrying Value</b>	<b>4,320</b>	<b>-</b>	<b>-</b>	<b>4,320</b>
<b>ECL</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>(22)</b>
<b>Net Value</b>	<b>4,298</b>	<b>-</b>	<b>-</b>	<b>4,298</b>

\* amounts is less than 1 Lacs

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

Particulars	Carrying amount	Carrying amount
	31-Mar-21	31-Mar-20
Opening Balance	324	307
ECL Provision recognised / (reversed)	1,191	17
Closing Balance	1,515	324

**Collateral held**

The Company holds collateral and other credit enhancements against certain of its credit exposures. The following tables sets out the principal types of collateral held against different types of financial assets.

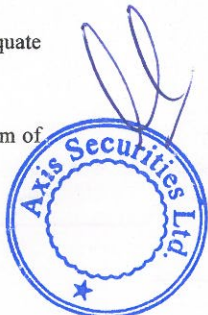
Instruments Types	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2021	As at March 31, 2020	
Trade receivables and Loans	87%	62%	Equity Shares

**b) Liquidity risk**

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavorable terms thus compromising its earnings and capital.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments in the form of bank deposits at an amount in excess of expected cash outflow on financial liabilities.



Funds required for short period is taken care by borrowings through issuing Commercial paper and utilising overdraft facility from Sanctioned credit lines from Axis Bank and Other Financial institution.

The following are the remaining contractual maturities of financial asset & liabilities as on 31 March 2021

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Financial assets</b>					
Cash and cash equivalents	21,124	-	-	-	21,124
Other balance with Bank	27,413	10,178	-	-	37,591
Trade Receivables	11,827	-	-	-	11,827
Loans	44,371	-	-	-	44,371
Investments	-	-	-	6,046	6,046
Other financial assets	-	-	5,149	-	5,149
<b>Total</b>	<b>1,04,735</b>	<b>10,178</b>	<b>5,149</b>	<b>6,046</b>	<b>1,26,108</b>
<b>Financial liabilities</b>					
Trade payables	39,430	1	-	-	39,431
Lease Liabilities	-	-	-	2,808	2,808
Debt Securities	37,288	-	-	-	37,288
Borrowing (other than debt securities)	-	-	-	-	-
Other financial liabilities	123	-	-	-	123
<b>Total</b>	<b>76,841</b>	<b>1</b>	<b>-</b>	<b>2,808</b>	<b>79,650</b>
<b>Net excess / (shortfall)</b>	<b>27,894</b>	<b>10,177</b>	<b>5,149</b>	<b>3,238</b>	<b>46,458</b>

The following are the remaining contractual maturities of financial asset & liabilities as on 31 March 2020

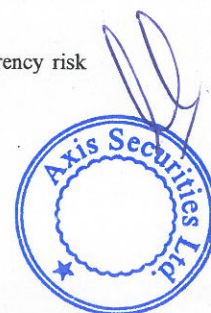
Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Financial assets</b>					
Cash and cash equivalents	12,237	-	-	-	12,237
Other balance with Bank	18,868	5,657	-	-	24,525
Trade Receivables	2,743	-	-	-	2,743
Loans	4,298	-	-	-	4,298
Other financial assets	-	-	6,156	-	6,156
<b>Total</b>	<b>38,146</b>	<b>5,657</b>	<b>6,156</b>	<b>-</b>	<b>49,959</b>
<b>Financial liabilities</b>					
Trade payables	19,826	-	-	-	19,826
Lease Liabilities	-	-	-	1,651	1,651
Debt Securities	-	-	-	-	-
Borrowing (other than debt securities)	-	16	-	-	16
Other financial liabilities	196	-	-	-	196
<b>Total</b>	<b>20,022</b>	<b>16</b>	<b>-</b>	<b>1,651</b>	<b>21,689</b>
<b>Net excess / (shortfall)</b>	<b>18,124</b>	<b>5,641</b>	<b>6,156</b>	<b>(1,651)</b>	<b>28,270</b>

### c) Market risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### i Foreign currency risk

The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.



**Axis Securities Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2021**

ii Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. All the borrowings of the company are fixed interest rate bearing instrument and hence there is no impact of movement in interest rate.

iii Market price risk

The Company is exposed to market price risk, which arises from FVTPL investment in debt securities. The management monitors the proportion of debt securities investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

**32 MATURITY ANALYSIS**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

<b>ASSETS</b>	<b>As at 31 March 2021</b>	<b>Within 12 month</b>	<b>After 12 month</b>
<b>Financial assets</b>			
Cash and cash equivalents	21,124	21,124	-
Bank balance other than (3) above	37,591	37,591	-
<b>Receivables</b>			
(i) Trade receivables	11,827	11,827	
(ii) Other receivables	-	-	
Loans	44,371	44,371	
Investments	6,046	-	6,046
Other financial assets	5,149	-	5,149
<b>Total Financial assets</b>	<b>1,26,108</b>	<b>1,14,913</b>	<b>11,195</b>
<b>Non - Financial assets</b>			
Current tax assets (net)	1,054	-	1,054
Deferred tax assets (net)	637	-	637
Property, plant and equipment	1,760	-	1,760
Right-of-use-asset	2,647	-	2,647
Capital work-in-progress	100	-	100
Intangible assets under development	158	-	158
Other intangible assets	1,432	-	1,432
Other non-financial assets	2,181	1,774	407
<b>Total Non- Financials assets</b>	<b>9,969</b>	<b>1,774</b>	<b>8,195</b>
<b>Total Assets</b>	<b>1,36,077</b>	<b>1,16,687</b>	<b>19,390</b>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
<b>Payables</b>			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	39,431	39,431	-
Lease Liabilities	2,808	-	2,808
Debt Securities	37,288	37,288	-
Borrowing (other than debt securities)	-	-	-
Other financial liabilities	123	123	-
<b>Total Financials liabilities</b>	<b>79,650</b>	<b>76,842</b>	<b>2,808</b>





Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

	As at 31 March 2021	Within 12 month	After 12 month
<b>Non - Financial liabilities</b>			
Current tax liabilities (net)	-	-	
Provisions	5,044	4,945	99
Other non- financial liabilities	3,174	1,689	1,485
<b>Total Non-Financials liabilities</b>	<b>8,218</b>	<b>6,634</b>	<b>1,584</b>
<b>Total Liabilities</b>	<b>87,868</b>	<b>83,476</b>	<b>4,392</b>
<b>Net</b>	<b>48,209</b>	<b>33,211</b>	<b>14,998</b>

<b>ASSETS</b>	As at 31 March 2020	Within 12 month	After 12 month
<b>Financial assets</b>			
Cash and cash equivalents	12,237	12,237	
Bank balance other than (3) above	24,525	24,525	
<b>Receivables</b>			
(i) Trade receivables	2,743	2,743	
(ii) Other receivables	-	-	
Loans	4,298	4,298	
Investments	-	-	
Other financial assets	6,156	-	6,156
<b>Total Financial assets</b>	<b>49,959</b>	<b>43,803</b>	<b>6,156</b>
<b>Non - Financial assets</b>			
Current tax assets (net)	2,850	-	2,850
Deferred tax assets (net)	502	-	502
Property, plant and equipment	1,218	-	1,218
Right-of-use-asset	1,305	-	1,305
Capital work-in-progress	138	-	138
Intangible assets under development	97	-	97
Other intangible assets	1,498	-	1,498
Other non-financial assets	882	568	314
<b>Total Non- Financials assets</b>	<b>8,490</b>	<b>568</b>	<b>7,922</b>
<b>Total Assets</b>	<b>58,449</b>	<b>44,371</b>	<b>14,078</b>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19,826	19,826	
Lease Liabilities	1,651	-	1,651
Debt Securities	-	-	
Borrowing (other than debt securities)	16	16	
Other financial liabilities	196	196	
<b>Total Financials liabilities</b>	<b>21,689</b>	<b>20,038</b>	<b>1,651</b>
<b>Non - Financial liabilities</b>			
Current tax liabilities (net)	-	-	
Provisions	3,262	2,982	280
Other non- financial liabilities	1,916	1,805	111
<b>Total Non-Financials liabilities</b>	<b>5,178</b>	<b>4,787</b>	<b>391</b>
<b>Total Liabilities</b>	<b>26,867</b>	<b>24,825</b>	<b>2,042</b>
<b>Net</b>	<b>31,582</b>	<b>19,546</b>	<b>12,036</b>



**33 EARNING PER SHARE**

The computation of basic and diluted earnings per share is given below:

Particulars	For the Year ended 31 March	
	2021	2020
a) Profit after tax attributable to equity shareholders		
(i) Continuing operations (Rs.)	16,481	2,252
(ii) Discontinued operation (Rs.)	-	482
Profit after tax attributable to equity shareholders (Rs.)	16,481	2,734
b) Weighted average nos. of equity shares outstanding for basic & diluted EPS (nos. in lakhs)	1,445	1,445
c) Nominal value of equity shares (Rs.)	10	10
d) Basic and diluted earnings per share (EPS) (Rs.)		
(i) Continuing operations	11.41	1.56
(ii) Discontinued operation	-	0.33
Basic and diluted earnings per share (EPS) (Rs.)	11.41	1.89

**34 INCOME TAXES**

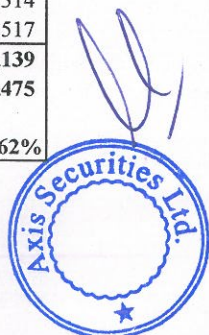
(a) The major components of income tax expense for the year are as under :

Particulars	For the Year ended 31 March	
	2021	2020
<b>I. Profit or Loss section</b>		
(i) Current income tax:		
Current income tax expense	5,705	1,424
Tax expense in respect of earlier years	(561)	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	(127)	987
<b>Income tax expense reported in Profit or Loss (i + ii)</b>	<b>5,017</b>	<b>2,411</b>
<b>II. Other Comprehensive Income (OCI) section:</b>		
(i) Income tax relating to items that will not be reclassified to profit or loss		
Tax on re-measurement of defined benefit plans	(8)	64
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
<b>Income tax expense reported in the OCI section</b>	<b>(8)</b>	<b>64</b>

(b) Reconciliation of tax expense and the accounting profit for the year is as under:

A reconciliation of income tax provision to the amount computed by applying statutory income tax rate to the income before taxes is summarised below.

Particulars	For the Year ended 31 March	
	2021	2020
(a) Profit before tax	21,472	5,309
(b) Enacted tax rate in India	25.17%	25.17%
(c) Income tax expenses calculated (c) = (a) * (b)	5,405	1,336
(d) Reconciliation items		
(i) Tax expense in respect of earlier years	(561)	39
(ii) Tax on expenses not tax deductible	165	269
(iii) Impact of change in tax rate	-	314
(iii) Other items	-	517
<b>Total effect of tax adjustments [(i) to (iii)]</b>	<b>(396)</b>	<b>1,139</b>
(e) <b>Tax expense recognised during the year (e)=(c)+(d)</b>	<b>5,009</b>	<b>2,475</b>
(f) <b>Effective tax rate (f)=(e)/(a)</b>	<b>23.33%</b>	<b>46.62%</b>



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(c) The movement of deferred taxes assets and liabilities for the year is as under:

Particulars	As at March 31, 2020	Recognised in profit or loss	Recognised in OCI	As at March 31, 2021
<b>Deferred tax asset/ (liabilities)</b>				
i) Property, plant and equipment and intangible assets	176	1		177
ii) Provision for expected credit losses	78	287		365
iii) Employee benefit obligation	41	(41)		-
iv) Provision for post-retirement benefit	17		8.00	25
v) Leases Transaction	190	(120)		70
<b>Total</b>	<b>502</b>	<b>127</b>	<b>8</b>	<b>637</b>

Movement in Deferred Taxes assets and liabilities as at March 31, 2020

Particulars	As at March 31, 2019	Recognised in Equity	Recognised in profit or loss	Recognised in OCI	As at March 31, 2020
<b>Deferred tax asset/ (liabilities)</b>					
i) Property, plant and equipment and intangible assets	167		9		176
ii) Provision for expected credit losses	89		(11)		78
iii) Employee benefit obligation	102		(61)		41
iv) Provision for post-retirement benefit	81			(64)	17
v) Leases Transaction	135	168	(113)		190
vi) Subscription	628		(628)		-
<b>Total</b>	<b>1,202</b>	<b>168</b>	<b>(804)</b>	<b>(64)</b>	<b>502</b>

35 CONTINGENT LIABILITY :

Contingent Liabilities shall be classified as (to the extent not provided for):

Particulars	Note	31-Mar-21	31-Mar-20
a) Claims against the Company not acknowledge as debt	1	-	-
b) Disputed direct tax matters under appeal	2	280	280
c) Bank Guarantee	3	27,633	16,473
		<b>27,913</b>	<b>16,753</b>

Note 1

The claims which are in dispute with the clients and where settlements are still pending and not provided in the books of accounts has been contingent for the Company.

Note 2

The statutory dues which are in dispute and where settlements are still pending and not provided in the books of accounts has been contingent for the Company. The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. No provision has been accrued in the financial statements for the 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.

Note 3

Bank Guarantee are being taken from banks and kept with exchanges as a margin to meet the margin obligation.

36 CAPITAL COMMITMENTS

As at 31 March 2021 the Company has contracts remaining to be executed on capital account and not provided for. The estimated amount of contracts (net of advances) towards property, plant and equipment is Rs 891 lakhs (previous year - Rs 333 lakhs).

37 FOREIGN CURRENCY TRANSACTION

Expenditure in foreign currency (accrual basis)

Particulars	31-Mar-21	31-Mar-20
Subscription charges	8	15
	<b>8</b>	<b>15</b>



## 38 EMPLOYEE BENEFITS

	For the year ended 31 March,	
	2021	2020
<b>A. Defined contribution plans</b>		
The Employee provident fund scheme of the company is administered by Office of the Regional Provident Fund, Commissioner. Company's contribution to provident fund & superannuation fund	414	285

**B. Defined Benefit Plan****Gratuity****Governance of the Plan**

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

**Funding arrangement and policy**

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan. The expected contribution payable to the plan next year is INR 20,000,000.

- a) The following table summarises the components of net expenses for gratuity benefits recognised in the statement of profit and loss, other comprehensive income and the amounts recognised in the balance sheet.

	For the year ended 31 March,	
	2021	2020
<b>Reconciliation of defined benefit obligations (DBO):</b>		
<b>Change in Defined Benefit Obligation</b>		
Defined benefit obligation, beginning of the year	347	424
Current service cost	79	177
Past Service Cost	-	-
Interest cost	19	42
Remeasurements (gains) / losses		
Actuarial (gains) / losses		
arising from changes in financial assumptions	(10)	19
arising from changes in demographic assumptions	30	-
arising from changes in experience adjustments	45	(159)
Benefits paid from plan assets	(95)	(156)
<b>Defined benefit obligation, end of the year</b>	<b>415</b>	<b>347</b>
<b>Change in plan assets:</b>		
Fair value of plan assets, beginning of the year	119	39
Employer contributions	151	200
Interest on plan assets	9	12
Remeasurements gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	33	24
Benefits paid	(95)	(156)
<b>Fair value of plan assets, end of the year</b>	<b>217</b>	<b>119</b>

**Balance sheet**

- b) Amount recognized in the balance sheet consists of:

	As at 31 March,	
	2021	2020
Present value of defined benefit obligation	415	347
Fair value of plan assets	217	119
<b>Net liability</b>	<b>198</b>	<b>228</b>



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

		For the year ended 31 March,	
		2021	2020
<b>c) The amounts recognised in the Statement of Profit and Loss are as follows:</b>			
Service Cost			
Current service cost		79	177
<b>Total Service cost</b>	(i)	<b>79</b>	<b>177</b>
Net interest cost			
Interest expense on DBO		19	42
Interest (income) on plan assets		(9)	(12)
<b>Total Interest cost</b>	(ii)	<b>10</b>	<b>30</b>
Remeasurements of Other Long term benefits	(iii)		
Defined benefit cost included in Statement of Profit & Loss	(iv) = (i+ii+iii)	<b>89</b>	<b>207</b>

**Statement of Other Comprehensive Income**

		For the year ended 31 March,	
		2021	2020
<b>Opening amount recognized in OCI outside profit and loss a: (i)</b>			
		67	231
Remeasurements recognised in other comprehensive income (OCI)			
Due to changes in financial assumptions	(ii)	(10)	19
Changes in demographic assumption	(iii)	30	
Due to changes in experience adjustments	(iv)	45	(159)
Return on plan assets (excl. interest income)	(v)	(33)	(24)
<b>Total remeasurement in other comprehensive income (OCI)</b>	(v) = (ii+iii+iv+v)	<b>32</b>	<b>(164)</b>
<b>Closing amount recognized in OCI outside profit and loss account (vi) = (i + v)</b>		<b>99</b>	<b>67</b>

**d) Assumptions used for Gratuity**

Particulars	As at 31 March,	
	2021	2020
Discount rate	6.55% p.a	6.30% p.a
Salary increase rate	7.75% p.a.	7.75% p.a.
Estimated rate of return on plan assets	7.00% p.a.	7.25% p.a.

**e) The major categories of plan assets as a percentage of total plan assets are as follows:**

	As at 31 March,	
	2021	2020
a) Insurer managed funds	217	119

**f) Sensitivity Analysis**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

For the year ended 31 March,				
	2021	2021	2020	2020
	% Rate	Amount	% Rate	Amount
Increase by 50 basis points				
i) Impact of change in discount rate	(4.51%)	396	(3.43%)	335
ii) Impact of change in salary growth rate	4.58%	433	3.50%	359
Decrease by 50 basis points				
i) Impact of change in discount rate	4.86%	435	3.69%	360
ii) Impact of change in salary growth rate	(4.32%)	397	(3.39%)	335

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.



**Axis Securities Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

**g) Projected plan cash flow**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity Profiler	Rs in Lakhs
Expected benefits for year 1	43
Expected benefits for year 2	38
Expected benefits for year 3	35
Expected benefits for year 4	34
Expected benefits for year 5	46
Expected benefits for year 6	24
Expected benefits for year 7	24
Expected benefits for year 8	21
Expected benefits for year 9	14
Expected benefits for year 10 and above	588

The weighted average duration to the payment of these cash flows is 9.36 years.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company has assessed the impact of the Code and recorded estimated impact of the same in the financial statements for the year ended 31 March 2021.

**39 RELATED PARTY TRANSACTION****Holding Company**

Axis Bank Limited

**Key Management Personnel**

Mr. Gopkumar Bhaskaran (Managing Director & CEO)  
 Mr. Anand Shaha (Whole Time Director)  
 Mr. Babu Rao Busi (Independent Director)  
 Ms. Bhumilka Batra (Independent Director)  
 Mr. Rajiv Anand (Director from 24.09.2020)  
 Mr. Arun Thukral (Managing Director & CEO upto 31.12.19)  
 Mr. Ramesh Kumar Bammi (Director upto 27.04.2020)  
 Mr. Jagdeep Mallareddy (Director upto 19.05.2020)  
 Mr. Ravi Narayanan (Director from 12.06.2020)  
 Mr. Naveen Tahilyani (Additional Director from 15.07.2020 upto 13.10.2020)  
 Mr. Hemantkumar Patel (Chief Financial Officer)  
 Ms. Divya Poojary (Company Secretary)  
 Ms. Lovelina Faroz (Company Secretary upto 29.10.19)

**Fellow Subsidiaries**

Axis Finance Limited  
 Axis Mutual Fund Trustee Limited  
 Axis Trustee Services Limited  
 Axis Asset Management Company Limited  
 Axis Bank U.K. Limited  
 Axis Capital Limited  
 A. Treds Limited  
 Freecharge Payment Technologies Private Limited  
 Accelyst Solutions Private Limited  
 Axis Capital USA LLC.



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021  
(Currency: Indian Rupees in Lakhs)

(₹ in Lakhs)

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
<b>Income</b>				
Business sourcing fee income	10 (1,025)	- -	- -	10 (1,025)
Interest on fixed deposits	97 (55)	- -	- -	97 (55)
Other income	- (18)	- -	- -	- (18)
Other income (Axis Mutual Fund Trustee Limited )	- -	- -	3 (38)	3 (38)
Resource management fees (Axis Asset Management Company Limited )	- -	- -	- (2)	- (2)
Bank interest	16 (2)	- -	- -	16 (2)
Other income (Axis Finance Limited )	- -	- -	17 (33)	17 (33)
Other income (Axis Asset Management Company Limited)	- -	- -	19 -	19 -
Other income (Axis Capital Limited )	- -	- -	- (12)	- (12)
<b>Expenses</b>				
Salaries (Mr Gopkumar Bhaskaran)	- -	223 (122)	- -	223 (122)
Salaries (Mr. Arun Thukral)	- (142)	- -	- -	- (142)



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021  
(Currency: Indian Rupees in Lakhs)

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
Salaries (Mr. Anand Shaha)	-	107	-	107
	-	(94)	-	(94)
Salaries (Mr. Hemantkumar Patel)	-	76	-	76
	-	(59)	-	(59)
Salaries (Ms. Lovelina Faroz)	-	-	-	-
	-	(10)	-	(10)
Salaries (Ms. Divya Poojari)	-	18	-	18
	-	(3)	-	(3)
Reimbursement for expenses	314	-	-	314
	(6,160)	-	-	(6,160)
Directors' Sitting Fees	-	15	-	15
	-	-	-	-
Bank charges & other charges paid	84	-	-	84
	(114)	-	-	(114)
Other expenses/ reimbursements (Axis Capital Limited )	-	-	3	3
	-	-	-	-
<b>Other transactions</b>				
Purchase of Securities from	2,531	-	-	2,531
	-	-	-	-
Advances repaid	9	-	-	9
	-	-	-	-
Dividend paid	-	-	-	-
	(3,324)	-	-	(3,324)
<b>Income</b>				
Unamortised DP AMC transferred to ASL	-	-	-	-
	(1,874)	-	-	(1,874)





Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Fellow Subsidiary	Grand Total
<b>Income</b>				
Transition Expense reimbursement	- (578)	- -	- -	- (578)
<b>Income</b>				
Sale of asset	2 (4)	- -	- -	2 (4)
<b>Outstanding balance as at 31 March 2021</b>				
Other payables	48 (165)	- -	- (55)	48 (220)
Accounts receivable for services rendered	- (18)	- -	- -	- (18)
Other payables (Axis Finance Limited )	- -	- -	228 (484)	228 (484)
Royalty Charges Payable	18 (8)	- -	- -	18 (8)
Overdraft Bank Balance	- (10)	- -	- -	- (10)
Current account	21,047 (12,179)	- -	- -	21,047 (12,179)
Fixed deposit balance	1,692 (1,699)	- -	- -	1,692 (1,699)

Notes

- 1) As the liabilities for gratuity are provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.
- 2) Figures in bracket represents corresponding amount of previous year.



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

40 LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than Rs 1,50,000). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised Rs NIL towards short-term lease and Rs NIL towards low value assets during the year ended March 31, 2021.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of Rs 604 lakhs have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

- 1) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 2) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 3) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Therefore, contracts that were not identified as lease under Ind AS 17 were not re-assessed.
- 4) Used a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- 5) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The details of Right to use Asset of the Company are as follows:

Particulars	For the year ended 31 March,	
	2021	2020
Balance at the beginning of the year	1,305	1,707
Addition during the year	2,181	401
Deduction during the year	(406)	-
Depreciation	(433)	(803)
Balance at the end of the year	2,647	1,305



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

Following is the movement in lease liabilities for the period:

Particulars	For the year ended 31 March,	
	2021	2020
Balance at the beginning of the year	1,651	2,322
Addition during the year	2,124	370
Deduction during the year	(584)	-
Interest Expenses	218	161
Lease payments	(601)	(1,202)
Balance at the end of the year	2,808	1,651

Following is maturity analysis of contractual undiscounted cash flows

Particulars	For the year ended 31 March,	
	2021	2020
Not later than 1 month	(35)	(37)
Later than 1 month not later than 3 months	(70)	(74)
Later than 3 month not later than 1 year	(275)	(354)
Later than 1 year	(2,428)	(1,186)
	(2,808)	(1,651)

41 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	For the year ended 31 March,	
	2021	2020
a) Gross amount required to be spent during the year	177	194
b) Amount spent during the period on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	177	194

Out of the above, contribution made to related party is as below:

42 SEGMENT REPORTING

The Company's operations predominantly related to equity, currency and commodity broking and its related activities business and is the only operating segment of the Company. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith. The Company operates in one geographic segment namely " Within India" and hence no separate information for geographic segment wise disclosure is required.

43 REVENUE FROM CONTRACT WITH CUSTOMER

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the distribution income and Depository income.

In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

**Disaggregate revenue information**

The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2020 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

**Nature of services**

Broking Income : Brokerage income on securities is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date.

Distribution Income : Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of plan.



**Axis Securities Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

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.

Portfolio management fees are recognised when corpus is offered for investment by the customer. Subsequently fees are charged at contracted rates periodically. Further, fees are charged on withdrawal of invested funds before a specified period.

Depository fees are recognized based on completion of the transactions.

Sources of Revenue from Contract with Customers

Particulars	For the year ended 31 March,	
	2021	2020
Broking	27,573	13,888
Distribution	1,327	1,303
Interest on Loan	3,995	1,845
Interest Income	2,193	1,185
Depository Income	6,604	2,517
	<b>41,692</b>	<b>20,738</b>

**44 CAPITAL MANAGEMENT**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

**45 EVENTS AFTER REPORTING DATE**

There are no material events after the reporting date that require disclosure in these financial statements.

**46 MICRO SMALL AND MEDIUM ENTERPRISES**

There are no micro, small and medium enterprises, to which Company owes dues, as at March 31, 2021. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) that has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company also has not received any claims against interest outstanding amount due to any vendor registered under Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

**47 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Particulars	April 1, 2020	Cash Flow	Change in fair values	Others*	March 31, 2021
Debt Securities	-	37,288	-	-	37,288
Particulars	April 1, 2019	Cash Flow	Change in fair values	Others*	March 31, 2020
Debt Securities	-	-	-	-	-

\*Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

**48 INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:**

**a. Details of Credit Rating:**

Instrument Category	ICRA
i Non Convertible Debenture	
Rating	AAA/ (STABLE)
Amount in Lakhs	200.00
ii Commercial Paper programme	
Rating	A1+
Amount in Lakhs	1,000.00
iii Banking Line (Fund+ Non Fund)	
Rating	A1+
Amount in Lakhs	800.00



Axis Securities Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

b. Key Financial information

Particulars	For the year ended 31 March,	
	2021	2020
Debt Equity Ratio*	0.77 Times	0.00 Times
Debt Service Coverage Ratio**	0.59 Times	37.76 Times
Interest Service Coverage Ratio***	24.75 Times	42.48 Times
Net Worth****(Rs in Lakhs)	48,209	31,582
Net Profit after tax (Rs in Lakhs)	16,481	2,734
Earnings Per shares (Basic and Diluted) (in Rs.)	11.41	1.89
(Face Value Rs. 10 per share)		
Asset Cover available, in case of non-convertible debt Securities	NA	NA
Outstanding redeemable preference shares (quantity and value)	NA	NA
Capital redemption reserve/ Debenture redemption reserve	NA	NA

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

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

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

\*\*\*\* Net Worth = Equity share capital + Other Equity

c. Details of previous due date, next due date for the payment of interest and repayment of commercial papers:

Sr no.	Commercial Paper Date of Issue	Redemption Amount	Previous Due date (From Apr 1 2020 to Marc 31, 2021)	Whether Paid or not	Next Due date
		Rs in Lakhs	Principal and Interest		
1	02-Jul-20	2500	30-Sep-20	Yes	NA
2	03-Aug-20	5000	02-Nov-20	Yes	NA
3	25-Aug-20	2500	23-Nov-20	Yes	NA
4	08-Sep-20	5000	07-Dec-20	Yes	NA
5	28-Sep-20	5000	28-Dec-20	Yes	NA
6	30-Sep-20	2500	24-Dec-20	Yes	NA
7	28-Oct-20	5000	27-Jan-21	Yes	NA
8	10-Dec-20	5000	NA	NA	08-Jun-21
9	24-Dec-20	5000	NA	NA	26-Apr-21
10	15-Jan-21	2500	NA	NA	24-May-21
11	27-Jan-21	5000	NA	NA	27-Apr-21
12	29-Jan-21	5000	NA	NA	29-Apr-21
13	25-Feb-21	5000	NA	NA	27-May-21
14	18-Mar-21	5000	NA	NA	16-Jun-21
15	26-Mar-21	5000	NA	NA	21-Jun-21



(Currency: Indian Rupees in Lakhs)

49 **SHARE BASED PAYMENTS**

**Employee Stock Options granted by holding company**

During the year, the holding company issued Current Year 20,000 (Previous year:74,000) of stock options to some employees of the holding company who are on deputation with the Company. Further the holding company has also issued Current Year 1,53,000 (Previous year: 20,000) stock options directly to the employees of the Company. Since these stock options are issued by the holding company directly to the employees of the Company or holding company and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financials statements.

The expense recognised for employee services (company's employee) received during the year is shown in the following table

Particulars	For the year ended 31 March,	
	2021	2020
Expense arising from equity-settled share-based payment transactions	161	115
	<b>161</b>	<b>115</b>

50 During the previous year the company has paid Rs. 2,845 Lakhs to Axis Bank Limited towards transfer of Client's Demat accounts. The said transaction is of exceptional nature and is non recurring and has been disclosed accordingly. The total accounts transferred are 1896451 accounts.

51 During the year, the Company has acquired trading customers account of Karvy Stock Broking Limited (Karvy) under competitive bidding and paid Rs. 1,174 Lakhs as a consideration. Pursuant to writ petition filed by Karvy and interim order of Bombay High Court, the transaction is not completed at the year end. Accordingly, consideration amount paid is shown under the head Advances recoverable in cash or kind in note 12 of the financial statements.

52 **PREVIOUS YEAR COMPARATIVES**

Previous year figures have been regrouped and reclassified, wherever necessary to conform to current year's presentation.

As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per Jitendra H. Ranawat  
Partner

Membership No. :- 103380

Place : Mumbai

Date : 15 April 2021

For and on behalf of Board of Directors

Rajiv Anand  
Chairman

DIN No: 02541753

Date : 15 April 2021

Gopkumar Bhaskaran  
Managing Director & CEO

DIN No: 07223999

Date : 15 April 2021

Anand Shaha  
Whole-time Director

DIN No: 02421213

Date : 15 April 2021

Hemantkumar Patel  
Chief Financial Officer

PAN: AGOPP9611N

Date : 15 April 2021

Divya Poojari  
Company Secretary

PAN: BIJPP6102N

Date : 15 April 2021

