

DIRECTORS' REPORT

The Board of Directors is pleased to submit the Annual Report on the business and operations of the Company along with the Audited Balance Sheet and Statement of Profit & Loss for the year ended 31st March 2013.

FINANCIAL PERFORMANCE

The Financial Results of the Company for the year ended 31st March 2013 are given below:

	<i>(Rs. in Crores)</i>	
Financial Summary (FY ending)	31.03. 2012	31.03. 2013
Operating Revenue	7.68	8.16
Other Income	7.43	8.11
Total Gross Revenue	15.10	16.27
Expenditure	0.74	0.80
PBT	14.37	15.46
PAT	9.62	10.25
Issued Share Capital		
Equity Share Capital (a)	3.75	5.75
Preference Share Capital (b)	40.00	0.00
Total Issued Capital (c=a+b)	43.75	5.75
Financial Summary (FY ending)	31.03. 2012	31.03. 2013
Reserves & Surplus		
Securities Premium (d)	46.50	84.50
Special Reserve (e)	6.05	8.11
Profit & Loss (f)	23.98	32.17
Total Reserves & Surplus (g=d+e)	76.52	124.78
Networth (h=g+c)	120.27	130.53
Surplus Carried to B/S	9.62	10.25
Loan and Advances	37.08	24.12

OPERATIONS AND FUTURE OUTLOOK OF THE COMPANY

We are glad to inform you that your Company continues to maintain consistent profit track record. During the year under review the revenue of the Company increased from Rs.15.10 Crores to Rs. 16.27 Crores and the Net Profit increased from Rs. 9.62 crores to Rs. 10.25 Crores.

The overall business environment in FY 12-13 was challenging due to subdued global environment affecting the Indian economy resulting in lower credit off take and negative sentiment in the equity market.

The outlook for the current Financial Year(FY 2013-2014) also seems to be challenging. However considering the infusion of addition capital in the Company, fresh business acquisitions with emphasis on adequate security, cashflow and past management track record will be undertaken. Considering our strong group franchise and strong market presence, we are confident of growing market share and report robust financial performance.

DIVIDEND

Your Directors do not recommend any dividend for the year ended on 31st March 2013.

DIRECTORS

- None of the Directors shall be liable to retire by rotation at Annual General Meeting, since all the Directors are Additional Directors
- Mr. Mayur Kakadia and Mr. Mukul Goyal resigned as Director of the Company with effect from March 25, 2013. The Board places on record, its appreciation for the efforts and contribution made by them during his tenure as the Director of the Company.
- Mr. Srinivasan Varadarajan, Mr. Nilesh Shah Mr. Bapi Munshi and Mr. Bipin Kumar Saraf were appointed as an Additional Director on October 20, 2012, pursuant to the provisions of Section 260 of the Companies Act, 1956. The



Company has received a notice in writing from a member of the Company under section 257 of the Companies Act, 1956, proposing their candidature for the office of a director.

- Mr. Bipin Kumar Saraf was appointed as Managing Director & CEO by the Board of Directors on April 16,2013

CONVERSION OF PREFERENCE SHARES INTO EQUITY SHARES

During the year the Company obtained approval of the Equity Shareholders for Conversion of 40,00,000 Convertible Preference Shares of Rs.100/- each into 20,00,000 Equity Shares of Rs.10/- each at a premium of Rs.190/- per share. Accordingly on 8.2.2013 the Company allotted the said 20,00,000 Equity Shares to M/s. Enam Finance Private Limited (Name changed to M/s. Axis Finance Ltd.)

CHANGE OF NAME OF THE COMPANY

On account of transfer of its entire holding by M/s. Enam Securities Private Ltd., to M/s. Axis Capital Limited, the Company becomes subsidiary of M/s. Axis Capital Limited. Further the entire holding of M/s. Axis Capital Limited was transferred to M/s Axis Bank Limited and thus the Company became wholly owned subsidiary of M/s Axis Bank Limited. In order to reflect the group identity name of the Company changed from Enam Finance Pvt. Ltd., to Axis Finance Pvt. Ltd. Certificate to this effect was issued on 26.3.2013 by the ROC., Maharashtra, Mumbai.

INCREASE IN AUTHORISED & PAID UP SHARE CAPITAL

In order to expand business activities, the Company increased its Authorised Share Capital from Rs. 50 Crs to Rs. 300 Crs. vide resolution passed at the Extra Ordinary General Meeting of the Company held on April, 25 2013. Further on May 27, 2013 the Company allotted 250,000,000 Equity Shares of Rs.10/- each for cash at par by way of preferential allotment to M/s. Axis Bank Limited, Holding Company.

CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

At its EGM held on March 28, 2013, the Members passed a Resolution for Conversion of the Company from Private Limited to Public Limited and also adopted a new set of Articles of Association in line with the applicable to the Public Limited Company. The ROC, Maharashtra, Mumbai had issued a Certificate dated 10 May, 2013 to this effect.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Mr. Srinivasan Varadarajan, Mr. Nilesh Shah & Mr. Bapi Munshi, Directors of the Company.

REMUNERATION COMMITTEE

The remuneration committee consists of three directors namely Mr. Srinivasan Varadarajan, Mr. Bipin Kumar Saraf & Mr. Bapi Munshi. The remuneration committee was constituted vide board resolution dated April 02, 2013.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit pursuant to Section 58A of the Companies Act, 1956.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

- A. Since the Company does not carry out any manufacturing activities, particulars to be disclosed with respect to conservation of energy and technology absorption under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.



- B. During the year under review there has been no earning and outgo in foreign exchange.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

During the year under review, none of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, whether employed throughout the year or for part of the year.

AUDITORS

M/s. Khimji Kunverji & Co, Chartered Accountants, would retire at the ensuing Annual General Meeting. However due to their pre-occupation & other commitments they have shown their unwillingness to continue as Auditors. The Board approached M/s. SR Batliboy & Co. LLP, Chartered Accountants & that they have given their consent to act as Auditors, if appointed. The Company has also received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS REPORT

The notes to Accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors hereby declare and confirm that:

- i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.
- ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company and of the loss of the Company for the year ended 31st March 2013.

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 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.

ACKNOWLEDGEMENTS

Your Directors would like to express their gratitude for all the guidance and co-operation received from Axis Bank. Your Directors would like to place on record its sincere appreciation for the co-operation received from various regulatory authorities including Reserve Bank of India.

Your Directors also wish to extend a special thanks to the employees at all levels, who have exhibited the qualities of perseverance, teamwork and enthusiasm and have enabled the Company to achieve exceptional business growth.

FOR AXIS FINANCE LIMITED



MANAGING DIRECTOR & CEO

Place: Mumbai

Date: June 18, 2013

ANNUAL REPORT
2012 - 2013

AXIS FINANCE PRIVATE LIMITED
(FORMERLY ENAM FINANCE PRIVATE LIMITED)

Registered Office:
Axis House, C-2
Wadia International Centre
Pandurang Budhkar Marg, Worli - 400025
Mumbai, Maharashtra

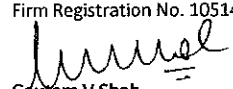
AXIS FINANCE PRIVATE LIMITED
(FORMERLY ENAM FINANCE PRIVATE LIMITED)

BALANCE SHEET

		(Amount in Indian Rupees)	
		As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	1	57,500,000	437,500,000
Reserves and surplus	2	1,247,773,747	765,247,090
		<u>1,305,273,747</u>	<u>1,202,747,090</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities (Net)		-	1,651
		-	<u>1,651</u>
CURRENT LIABILITIES			
Trade payables	3	-	1,364,233
Other current liabilities	4	1,219,029	677,371
Short-term provisions	5	1,742,915	3,621,486
		<u>2,961,944</u>	<u>5,663,090</u>
TOTAL		<u>1,308,235,691</u>	<u>1,208,411,831</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6		
-Tangible assets			
Gross Block		25,480	25,480
Less:- Accumulated Depreciation		<u>25,480</u>	<u>18,760</u>
		-	6,720
Non-current investments	7	-	141,587,104
Deferred tax asset		631,233	
Long term loans and advances	8	-	1,000
		<u>631,233</u>	<u>141,594,824</u>
CURRENT ASSETS			
Current investments	9	-	605,050,806
Trade receivables	10	138,863	5,782,379
Cash and bank balances	11	1,063,487,046	71,978,878
Short-term loans and advances	12	241,239,090	370,815,696
Other current assets	13	2,739,459	13,189,248
		<u>1,307,604,458</u>	<u>1,066,817,007</u>
TOTAL		<u>1,308,235,691</u>	<u>1,208,411,831</u>
SIGNIFICANT ACCOUNTING POLICIES	20		
OTHER NOTES TO ACCOUNTS	21		

The notes referred above form an integral part of the Balance Sheet

As per our attached report of even date

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

Gautam V Shah
Partner (F-117348)

For and on behalf of the Board


Srinivasan Varadrajan
Chairman


Bipin Saraf
Managing Director


Rajneesh Kumar
Company Secretary

Mumbai,
Date: April 16, 2013



AXIS FINANCE PRIVATE LIMITED
(FORMERLY ENAM FINANCE PRIVATE LIMITED)

STATEMENT OF PROFIT AND LOSS

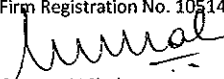
(Amount in Indian Rupees)

		For the year ended 31.03.2013	For the year ended 31.03.2012
REVENUE FROM OPERATION	14	81,578,788	76,770,692
OTHER INCOME	15	81,081,689	74,269,986
		162,660,477	151,040,678
EMPLOYEE BENEFIT EXPENSE	16	2,403,113	2,178,963
FINANCIAL COSTS	17	14,094	2,273,790
DEPRECIATION	18	6,720	4,480
OTHER EXPENSES	19	5,587,306	2,894,176
		8,011,233	7,351,409
PROFIT BEFORE TAX		154,649,244	143,689,269
TAX EXPENSES:			
CURRENT TAX		52,000,000	47,500,000
SHORT/(EXCESS) PROVISION OF EARLIER YEARS		755,471	-
DEFERRED TAX		(632,884)	(660)
PROFIT FOR THE YEAR		102,526,657	96,189,929
EARNING PER EQUITY SHARE:			
-BASIC		25.41	25.65
-DILUTED		25.41	16.73
(Nominal value per share Rs. 10)			
SIGNIFICANT ACCOUNTING POLICIES	20		
OTHER NOTES TO ACCOUNTS	21		

The notes referred above form an integral part of the Statement of Profit and Loss

As per our attached report of even date

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W


Gautam V Shah
Partner (F-117348)

For and on behalf of the Board


Srinivasan Varadrajan
Chairman


Bipin Saraf
Managing Director


Rajneesh Kumar
Company Secretary

Mumbai,
Date: April 16, 2013



CASH FLOW STATEMENT

(Amount in Indian Rupees)

	For the year ended 31.03.2013	For the year ended 31.03.2012
A. Cash Flow from Operating Activities		
Net Profit before tax	154,649,244	143,689,269
Adjustments For:		
Depreciation	6,720	4,480
Provision for Compensated Absences	-	76,753
Loss / (Profit) on sale of Investment	(66,961,620)	(59,793,083)
Provision for Gratuity	64,515	-
Sundry Balance Written off	1,133	-
Interest on Fixed Deposit and NCD	(13,470,048)	(14,476,903)
Operating Profit before working Capital Changes	74,289,944	69,500,516
Adjustments For:		
Decrease / (Increase) in Trade and other receivables	134,721,788	44,247,456
(Decrease) / Increase in Trade and other payables	(822,575)	(2,015,684)
Cash Generated From Operations	208,189,157	111,732,288
Income Tax paid	(54,699,689)	(46,918,367)
NET CASH FLOW FROM OPERATING ACTIVITIES	153,489,468	64,813,921
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on Fixed Deposit and NCD	24,419,171	3,008,003
Sale of Investment	3,615,028,261	3,733,624,197
Purchase of Investment	(2,801,428,732)	(3,678,887,104)
NET CASH FLOW FROM INVESTING ACTIVITIES	838,018,700	57,745,096
C. CASH FLOW FROM FINANCING ACTIVITIES		
Intercorporate Deposit	-	(70,000,000)
NET CASH FLOW FROM FINANCING ACTIVITIES	-	(70,000,000)
NET DECREASE IN CASH AND EQUIVALENTS	991,508,168	52,559,017
CASH AND CASH EQUIVALENT (OPENING BALANCE)	71,978,878	19,419,861
CASH AND CASH EQUIVALENT (CLOSING BALANCE)	1,063,487,046	71,978,878

NOTES:

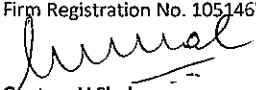
1) Cash and Cash Equivalent includes:

	31.03.2013	31.03.2012
Cash	3,942	6,428
Balance with Banks	1,063,483,104	71,972,450
	1,063,487,046	71,978,878

Includes Fixed Deposit under Lien with bank Rs.Nil (Previous year Rs.45,357,520/-)

2) Previous Year's figure have been regrouped/ rearranged to confirm to the current year's presentation, wherever necessary

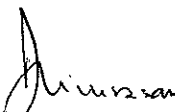
As per our attached report of even date


For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

Gautam V Shah
Partner (F-117348)

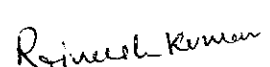
Mumbai
Date: April 16, 2013



For and on behalf of the Board


Srinivasan Varadrajan
Chairman


Bipin Saraf
Managing Director


Rajneesh Kumar
Company Secretary

AXIS FINANCE PRIVATE LIMITED
(FORMERLY ENAM FINANCE PRIVATE LIMITED)

NOTES TO ACCOUNTS

(Amount in Indian Rupees)

	As at 31.03.2013	As at 31.03.2012
01. SHARE CAPITAL		
AUTHORIZED		
10,000,000 (Previous year 10,000,000) Equity Share of Rs 10 Each	100,000,000	100,000,000
4,000,000 (Previous year 4,000,000) Preference Share of Rs 100 Each	400,000,000	400,000,000

ISSUED, SUBSCRIBED AND FULLY PAID UP

5,750,000 (Previous year 3,750,000) Equity Share of Rs 10 Each	57,500,000	37,500,000
(Entire share capital held by the holding company 'Axis Bank Ltd', and it's nominee, Previous year held by Enam Securities Private Limited and it's nominee)		
Nii (Previous year 4,000,000) Preference Share of Rs 100 Each	-	400,000,000
(During the year, Preference Share Capital has been converted into Equity Share Capital at the rate of 1 equity share of Rs 10 each and premium of Rs.190 per share for 2 preference shares held)		
	57,500,000	437,500,000

Reconciliation of shares outstanding at the beginning and at the end of reporting period

	31.03.2013		31.03.2012	
	Number	Amount	Number	Amount
Equity Share				
Outstanding at the beginning of the year	3,750,000	37,500,000	3,750,000	37,500,000
Add:- Issued during the year	2,000,000	20,000,000	-	-
Outstanding at the end of the year	5,750,000	57,500,000	3,750,000	37,500,000
Preference Share				
Outstanding at the beginning of the year	4,000,000	400,000,000	4,000,000	400,000,000
Add:- redeemed/converted during the year	4,000,000	400,000,000	-	-
Outstanding at the end of the year	-	-	4,000,000	400,000,000

Share held by the holding company

Name of the Shareholder	As at 31.03.2013		As at 31.03.2012	
	No	%	No	%
Axis Bank Limited and it's nominees	5,750,000	100	-	-
Enam Securities Private Limited and it's nominees	-	-	3,750,000	100



Handwritten signatures and initials.

(Amount in Indian Rupees)

	As at 31.03.2013	As at 31.03.2012
02. RESERVE AND SURPLUS		
SECURITIES PREMIUM RESERVE		
Balance at the beginning of the year	465,000,000	465,000,000
Add:- Addition during the year	380,000,000	-
Balance at the end of the year	845,000,000	465,000,000
STATUTORY RESERVE U/S 45-IC OF RBI ACT		
Balance at the beginning of the year	60,471,050	41,233,064
Add:- Addition during the year	20,628,950	19,237,986
Balance at the end of the year	81,100,000	60,471,050
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance at the beginning of the year	239,776,040	162,824,097
Add:- Addition during the year	102,526,657	96,189,929
Less:- Transfer to Statutory Reserve	20,628,950	19,237,986
Balance at the end of the year	321,673,747	239,776,040
TOTAL	1,247,773,747	765,247,090
03. TRADE PAYABLES		
Sundry Creditors	-	1,364,233
	-	1,364,233
04. OTHER CURRENT LIABILITIES		
Creditors For Expenses	820,190	499,752
Other	398,839	177,619
	1,219,029	677,371
05. SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Compensated Absences	84,247	84,247
Provision for Gratuity	64,515	-
Others		
Provision for Taxation(Net of Advance Tax)	1,594,153	3,537,239
	1,742,915	3,621,486



J B Kulkarni

AXIS FINANCE PRIVATE LIMITED

FIXED ASSETS

NOTE NO. 6

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2012	ADDITIONS FOR THE YEAR	DEDUCTIONS/ ADJUSTMENTS	AS AT 31/03/2013	AS AT 01/04/2012	PROVIDED DURING THE YEAR	DEDUCTIONS/ ADJUSTMENTS	UPTO 31/03/2013	AS AT 31/03/2013	AS AT 31/03/2012
TANGIBLE ASSETS:										
Computers	25,480	-	-	25,480	18,760	6,720	-	25,480	0	6,720
TOTAL	25,480	-	-	25,480	18,760	6,720	-	25,480	0	6,720

Ruz

[Signature]



(Amount in Indian Rupees)

	As at 31.03.2013	As at 31.03.2012
07. NON-CURRENT INVESTMENTS		
(QUOTED, NON-TRADE AND FULLY PAID UP)		
Investment in Bonds		
Nil (Previous year 150,000) Units of 11.90% HFLTD (Face value of Rs.1000/- each)	-	141,587,104
TOTAL NON-CURRENT INVESTMENT	-	141,587,104
AGGREGATE BOOK VALUE		
QUOTED	-	141,587,104
UNQUOTED	-	-
	-	141,587,104
8. LONG TERM LOANS AND ADVANCES (Unsecured, Considered good)		
Security Deposits	-	1,000
	-	1,000

9. CURRENT INVESTMENTS

(UNQUOTED, NON-TRADE AND FULLY PAID UP)

MUTUAL FUNDS (Units of Rs.10/- each)

	No of Units		
ICICI Prudential Liquid Plan	2,248,867	-	450,000,000
Axis Liquid Fund - IP - Growth	130,439	-	155,050,806

AGGREGATE BOOK VALUE		-	605,050,806
QUOTED		-	-
UNQUOTED		-	605,050,806

J B Ruz



(Amount in Indian Rupees)

	As at 31.03.2013	As at 31.03.2012
10. TRADE RECEIVABLE		
Sundry Debtors (Unsecured, Considered Good unless otherwise specified)		
<u>Outstanding for a Period Exceeding Six Months</u>		
Considered Good	-	-
Doubtful	1,159,892	-
	1,159,892	-
Less:- Provision for doubtful debts	1,159,892	-
	-	-
<u>Others</u>		
Considered Good	138,863	5,782,379
Doubtful	785,001	-
	923,864	5,782,379
Less:- Provision for doubtful debts	785,001	-
	138,863	5,782,379
Total	138,863	5,782,379
11. CASH AND BANK BALANCE		
Cash and Cash Equivalent		
Cash	3,942	6,428
Bank Balance with Scheduled Banks		
In Current Accounts	23,483,104	26,614,930
In Fixed Deposits#	1,040,000,000	45,357,520
# Includes Fixed Deposit under Lien with bank Rs. Nil/- (Previous year Rs 45,357,520/-)	1,063,487,046	71,978,878
12. SHORT TERM LOANS AND ADVANCES		
Unsecured Loans	-	100,000,000
Secured Loans	241,830,901	271,695,093
Net of provision for sub-standard loan Rs. Nil (previous year Rs. 3,43,000)		
Less:- Contingent provision for standard asset	625,000	932,000
	241,205,901	370,763,093
Other Advances	33,189	52,603
	241,239,090	370,815,696
13. OTHER CURRENT ASSETS (Unsecured and Considered Good unless otherwise stated)		
Prepaid Expenses	653,185	153,851
Interest Accrued but not due	2,086,274	13,035,397
	2,739,459	13,189,248



J *B* *Riz*

(Amount in Indian Rupees)

	For the year ended 31.03.2013	For the year ended 31.03.2012
14. REVENUE FROM OPERATION		
Income From Financing Activity	50,874,967	46,392,195
Support Service (Net)	30,703,821	30,378,497
	81,578,788	76,770,692
15. OTHER INCOME		
Interest on Fixed Deposit and NCD and Debentures	13,470,048	14,476,903
Profit on sale of Current Investment	66,961,620	59,793,083
Reversal of Provision against Standard and Sub-standard asset	650,000	-
Miscellaneous Income	21	-
	81,081,689	74,269,986
16. EMPLOYEE BENEFIT EXPENSE		
Salaries	2,300,415	1,968,164
Contribution To Provident & Other Funds	101,198	66,267
Staff Welfare	1,500	144,532
	2,403,113	2,178,963
17. FINANCIAL COSTS		
Interest other than on Fixed Loans	14,094	2,273,790
	14,094	2,273,790
18. DEPRECIATION		
Depreciation	6,720	4,480
	6,720	4,480
19. OTHER EXPENSES		
Professional Fees	1,799,811	880,120
Service Charges	225,888	495,843
Printing & Stationery	300,076	5,460
Repairs and Maintenance	202,899	58,652
Provision against Standard and Sub-standard asset	-	215,000
Provision for doubtful debts	1,944,893	-
Auditors Remuneration:		
Statutory Audit	150,000	150,000
Limited Review	250,000	-
Tax Audit Fees	25,000	25,000
Other Services	30,000	-
Rent	-	800,001
Telephone Expenses	16,740	11,743
Miscellaneous Expenses	641,999	252,357
	5,587,306	2,894,176



J B Ruz

NOTE 20: ACCOUNTING POLICIES

I. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The Company follows the prudential norms issued by Reserve Bank of India for asset classification, income recognition and provisioning for non-performing assets. Besides, additional amount is written/off provided for where the management, on a review, considers it necessary

Except otherwise mentioned, the accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

II. Change in Accounting Policy

In the current year, the Company changed (with retrospective effect) its method of providing depreciation on fixed assets, from the Written Down Value ('WDV') method at the rates prescribed in Schedule XIV to the Companies Act, 1956 to the Straight Line Method (SLM) at the rates based on technical estimates of useful life. The management believes that such change will result in a more appropriate presentation of these assets and will give a systematic basis of depreciation charge more representative of the time pattern in which the economic benefits will be derived from the use of such asset.

Had the Company continued to use the earlier basis of providing depreciation, the charge to the Statement of Profit and Loss after taxation for the current period would have been lower by Rs. 4,032 and the net block of fixed assets would correspondingly have been higher by Rs. 4,032. The net expense of Rs. 2,169 (after adjusting deferred tax credit of Rs. 1,863) arising out of retrospective re-computation has been recognized in the current years Statement of Profit and Loss.

III. Accounting Estimates

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

IV. Revenue Recognition

Interest from financing activities is recognized in the Statement of Profit and Loss on accrual basis.

Other revenue is recognised on accrual basis and no significant uncertainty exists as to its realization or collection. Profit on sale of Investment is recognized on trade date of transaction.



J B Ruz

V. Fixed Assets

Fixed assets are stated at cost, net off accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is 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 fixed assets, 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.

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

VI. Depreciation

Depreciation on fixed assets is provided using the Straight Line basis based on the useful lives estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

	Rates (SLM)	Schedule XIV Rates (SLM)
Computer	33.33%	16.21%

VII. Impairment of Tangible Assets

The Company assesses at each 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 net selling price 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 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



[Handwritten signatures]

VIII. Borrowing Costs

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets upto the date when such assets is ready for its intended use. Other borrowing costs are charged to the statement of Profit and Loss.

IX. Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long Term Investments are stated at cost after deducting provision made, if any, for other than temporary diminution in the value. Current Investments are stated at lower of cost and market/fair value.

X. Taxes on Income

- a. Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- c. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- d. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- e. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

XI. Retirement and other Employee Benefits

The Company has a policy of carry forward of unavailed leave to the next financial year. Provision for leave is made on actual basis.

Gratuity is provided on actual basis as per the calculation provided in the Payment of Gratuity Act, 1972



Three handwritten signatures in black ink, appearing to be initials or names, located to the right of the stamp.

XII. Leases

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

XIII. Contingent Liabilities and 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.

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

XIV. Earning Per Share

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

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 year are adjusted for the effects of all dilutive potential equity shares.

XV. Cash and Cash Equivalent

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



[Handwritten signatures]

NOTE 21: OTHER NOTES TO ACCOUNTS

- I The Company has no capital commitment as at 31st March 2013 (Previous year Rs. Nil)
- II Fixed deposits of Rs. Nil (Previous Year Rs. 45,357,520/-) with HDFC Bank is under lien of HDFC Bank for overdraft facility.
- III During the year, Preference Shares has been converted into Equity Shares at the rate of 1 equity share of Rs 10 each at a premium of Rs.190 per share for 2 preference shares held. The same was approved by the board of directors in their meeting held on February 8, 2013.
- IV The Company's former holding company – Enam Securities Private Limited (ESPL) in their Board of Directors meeting held on November 17, 2010 had approved and entered into an arrangement, with amendments thereafter, with Axis Bank Limited and Axis Securities & Sales Limited ("ASSL" now renamed as Axis Capital Limited)) inter-alia to de-merge its investment banking, institutional equities and related business such as distribution of financial products, loan against shares among others conducted by the Company directly and through its wholly owned subsidiaries("Financial Services Business") with effect from April 01, 2010 by way of a demerger to Axis Bank, as a going concern(The Scheme). The High Court of Bombay and the High Court of Gujarat vide their order dated August 03, 2012 and September 14, 2012 respectively, have approved the scheme among the Company, Axis Bank Limited, ASSL (Now Axis Capital Limited) and their respective shareholders and Creditors. The scheme has been executed effective October 20, 2012 on filing of court order with registrar of companies. Post the effective date, the Company became a wholly owned subsidiary of Axis Capital Limited

Subsequently, the Company's holding company 'Axis Capital Limited' has sold all capital held by it to Axis Bank Limited. Thus the Company has now become a wholly owned subsidiary of Axis bank Limited.

- V There is no contingent liability as at 31st March 2013 (Previous year Rs. Nil)
- VI Basic and Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earnings per share"

Particulars		2012 - 2013	2011 - 2012
Basic			
Profit after tax as per Statement of Profit and Loss	A	102,526,657	96,189,929
Weighted Average Number of Shares	B	4,034,932	3,750,000
Basic Earnings per share	A/B	25.41	25.65
Diluted			
Adjusted Profit after tax	C	102,526,657	96,189,929
Weighted Average Number of Shares	D	4,034,932	5,750,000
Diluted Earnings per share	C/D	25.41	16.73
Nominal Value per share		10	10



VII **Segment Information :**

The Company is operating under single business segment of Financing activities and single geographical segment hence no further details needs to be disclosed as per AS 17 'Segment reporting', other than those already disclosed in financial statements.

VIII **Related Parties :**

Disclosure in respect of Related Parties pursuant to Accounting Standard – 18:

List of Related Parties:-

Parties where control exists: Holding Company

Enam Securities Private Limited (till October 19, 2012) (Note –a)

Axis Capital Limited (till February 08, 2013)

Axis Bank Limited (ABL) (with effect from February 08, 2013)

Fellow subsidiaries companies

Axis Private Equity Limited

Axis Mutual Fund Trustee Limited

Axis Trustee Services Limited

Axis Asset Management Company Limited

Axis U.K. Limited

Axis Capital Limited (with effect from February 08, 2013)

Note – a

As detailed in Note IV above, the scheme of demerger has been executed effective October 20, 2012, hence Enam Securities Private Limited has been considered as Related Party till October 19, 2012.

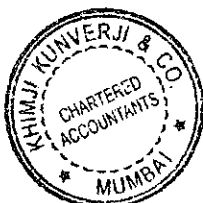
Transactions with related parties

2012-2013	
Name of the related party:- Axis Bank Limited	
Nature of Relationship:- Holding Company	
Nature of Transaction	Amount in Rs.
Processing Fees Received*	846,749
Interest Income*	2,318,082
Bank Charges*	267
Closing Balance	
Fixed Deposit with Bank*	1,040,000,000
Current Account Balance with Bank*	3,813,790
Interest Receivable*	2,086,274

There were no related party transactions for financial year 2011-12

* Represents transactions during the year ended March 31, 2013

Note: - Related party relationship and transactions have been identified by the Management and relied upon by the Auditors.



Three handwritten signatures in black ink, appearing to be initials or names, located to the right of the stamp.

IX Deferred taxation:

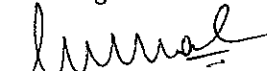
In accordance with Accounting Standard 22 "Accounting for Taxes on Income" (AS 22), the Company has accounted for deferred taxes during the year. Deferred tax comprises of timing difference on account of following:-

Deferred Tax Asset/(Liability)	2012-13	2011-12
Depreciation	212	(1,651)
Expenditure Disallowed	631,021	-
Total	631,233	(1,651)

- X Information related to Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no outstanding balance due to such parties at year end. (Previous year Rs. Nil).
- XI Previous year figure have been re-grouped, re-classified wherever necessary to confirm to current year presentation.

As per our attached Report of even date

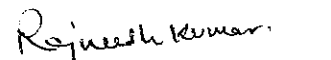
For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W


Gautam V Shah
Partner (F-117348)

For and on behalf of the Board


Srinivasan Varadarajan
Chairman


Bipin Saraf
Managing Director


Rajneesh Kumar
Company Secretary

Mumbai
Date: April 16, 2013

