

DIRECTORS' REPORT

DEAR MEMBERS,

The Directors are pleased to present the Twelfth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

FINANCIAL PERFORMANCE:

During the year, the Company achieved a total income of Rs. 432.70 crores.

The Financial Results of the Company for the year ended 31st March 2018 are given below:

Particulars	2017-2018	2016-2017
	Amount in Rs. in Crores	Amount in Rs. in Crores
Operating Income(A)	402.30	315.3
Interest Income on Fixed Deposits and Miscellaneous Income (B)	30.4	27.8
Total Income (A)+(B)	432.7	343.1
Operating Expenses	219.7	171.1
Profit/(Loss) before Depreciation, provisions for tax & Write Back/Off	213.0	172.0
Depreciation	0.4	0.4
Less : -Short /Excess Provision of earlier years Written off / Written Back	-1.8	-0.5

Provisions for Tax	75.6	58.9
Profit / (Loss) After Tax	138.8	113.2
Balance carried to Balance Sheet	138.8	113.2

TRANSFER TO RESERVES

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

BUSINESS OVERVIEW AND REVIEW OF OPERATIONS

OPERATIONS

Your Company is presently engaged in two lines of business, namely Investment Banking and Institutional Equities. With a view to synergize and bring in more focus to High Net worth Individuals servicing, the Company has integrated its Investment Solutions with that of the Bank.

Investment Banking

- Axis Capital's Investment Banking division had a record year completing :

49 transactions across Equity Capital Markets (ECM) (35 transactions) and Advisory businesses (14 transactions). These include IPOs, QIPs, IPPs, OFS, Rights offerings, Buybacks, Open Offer, Blocks, M&A, Private Equity and Structured Finance, aggregating to about INR 1,10,428 crores.

Axis Capital completed 35 ECM transactions during the year (versus 18 last year) including 19 IPOs, 4 QIP, 3 OFS, 2 Preferential Issuances, 1 IPP,

3 Rights and 3 Buybacks. We did the highest number of IPOs by any Investment Bank in India. We were involved in 6 of the 10 largest IPOs during the year, and maintained our dominance in domestic ECM market with a market share of ~12%. Some of the marquee transactions for the year include IPOs of GIC Re, New India Assurance, SBI Life, Bandhan Bank, Hindustan Aeronautics, Godrej Agrovet, Eris Lifesciences and Mahindra Logistics, Preferential Allotments in Axis Bank and Balaji Telefilms, Rights Issue of Tata Steel, and Buybacks of Infosys and HCL Technologies.

Our marketing and regulatory teams did an outstanding job across deals. We outdid competition on procurement across investor categories and were the no. 1 institutional procurer in 12 of the 19 IPOs that we handled. Given our regulatory expertise and experience, we continued to be one of the preferred left lead bankers.

During the year, Axis Capital closed 5 Private Equity transactions. Some of the important closures included sale of significant stake in Feedback Ventures to ADV Partners and sale of controlling stake in Aegis BPO to Capital Square Partners.

The M&A and advisory practice closed 7 transactions – notable among these were Advisors to Liberty International for induction of new Indian partner in its Indian general insurance business, Advisors to Zee Learn for acquiring a strategic stake in MT Educare, Advisors to the merger of UFO Moviez and Qube Cinema.

During the year, the Structured Finance team completed 2 new transactions – Manav Investments (A V Birla Group) and Igarashi Motors – and also unwound most of our outstanding obligations.

Institutional Equities

FY18 was undoubtedly the year of the domestic mutual funds in the Indian Equity markets – they pumped in nearly Rs. 119,000 crores into the market; more than twice the FII net inflow of Rs. 53,000 crores, which was marginally lower than the prior year inflow of Rs. 55,700 crores.

Institutional activity picked up during the year – their total volumes grew by 27% in FY 18. And institutions continue to move an ever greater part of their volumes through low touch DMA. Against that the Company's total volumes grew by 33% and therefore the market share has indeed moved up over the previous year.

While volumes moved up, commission rates continued to fall – this time particularly in the FII segment due to the adoption of MIFID II rules by all the European and many of the global accounts. In addition, the introduction of GST also pushed our net commissions further down by 3%.

Even against this difficult backdrop, our pure brokerage income has seen a 21% jump aided by increased volumes (33%), new clients and block deals of over Rs. 32,000 crores. During the year, we have added more than 20 marquee institutional accounts (covering more than 100 sub accounts) and

they would help us garner more business next year. In addition, we helped in the successful closure of 35 ECM transactions during the year including IPOs, QIPs, IPPs, OFS' and Preferential Offers.

DIVIDEND

For the financial year 2017-18, the Board of Directors had recommended a Dividend at the rate of Rs.16/- (previous year Rs.14/-) per equity share of Rs. 10/- each, absorbing a sum of Rs.117,60,00,000 (previous year Rs.102,90,00,000) towards dividend amount and `Rs.24,17,30,259/- (previous year Rs.20,94,80,188/-) towards Dividend Distribution Tax. The Dividend, if declared by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2017-18.

SUBSIDIARIES:

Your Company has set up a subsidiary in United States of America viz. Axis Capital USA LLC to seek registration as Broker Dealer after obtaining all the requisite Regulatory approvals. The Company has applied to the Regulatory Authority seeking registration which is awaited. The salient features of the financial statement of Subsidiary Company for the year ended 31stMarch, 2018, is given in Form AOC-1 (**Annexure 'A'**) which forms part of this Report.

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

MATERIAL CHANGE AND COMMITMENT

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

EXTRACT OF ANNUAL RETURN

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

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

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

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

Risk Management is a key function in the Company. Real-time monitoring of overall exposure of the Company is required from the point of view of

Risk Control. In volatile markets, robust Risk Management policies are must. The Company has adopted a robust risk management framework and the same is subject to periodic review by the Risk Management Committee of the Board, Group Level and at the Board of Directors level.

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted the code of conduct for employees and also directors for the highest degree of transparency, integrity, accountability.

Any actual or potential violation of the Code would be a matter of serious concern for the Company.

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

and to disclose information which the individual believes, shows malpractice or wrongdoing which could affect the business or reputation of the Company.

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

DIRECTORS

During the year under review, there was no change in constitution of Board of Directors of the Company and there was no appointment and cessation of any Key Managerial Personnel.

Mr. Dharmesh Mehta (DIN 06734366), Director will retire by rotation at the ensuing Annual General Meeting of the Company. He being eligible has offered himself for re-appointment. Mr. Dharmesh Mehta has been appointed as Managing Director of the Company for a period of 5 (five) years w.e.f. November 15, 2016 and such a re-appointment shall not be deemed to constitute a break in his appointment as Managing Director.

PARTICULARS OF MEETINGS

During the year, the number of Board, Committee and General Meetings convened is as follows:

Sr. No.	Type of Meeting	Number of meetings
1.	Board Meeting	5
2.	Audit Committee Meeting	5
3.	Nomination & Remuneration Committee Meeting	1
4.	Corporate Social Responsibility Committee Meeting	1
5.	General Meeting (including Extra- Ordinary General Meeting)	1

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

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

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

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

were evaluated on parameters such as attendance, contribution at the meeting etc.

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

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

COMMITTEES

i. AUDIT COMMITTEE

The Audit Committee consists of three Directors namely Mr. Samir Barua, Mr. Manish Chokhani and Mr. Dharmesh Mehta. The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.

ii. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of Mr. Manish Chokhani, Mr. Samir Barua, Mr. Bahram Vakil and Mr. Srinivasan Varadarajan.

iii. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of Mr. Samir Barua, Mr. Srinivasan Varadarajan and Mr. Dharmesh Mehta.

iv. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee consists of Mr. Bahram Vakil, Mr. Srinivasan Varadarajan and Mr. Dharmesh Mehta.

SHARE CAPITAL:

During the year, there was no change in the Authorized, 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 Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

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

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

During the year under review, the Company has earned Foreign Exchange of Rs. 24,42,69,439/-. The Company had incurred total expenditure in Foreign Exchange of Rs. 5,51,96,294/- The capital contribution in Company's Foreign Subsidiary Company viz. Axis Capital USA LLC is pending as of March 31, 2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION- 186

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

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

Information as per Section 134(3)(h) of the Companies Act, 2013 relating to the particulars of contracts, or arrangements with related parties under Sub – Section (1) of Section 188 is annexed as **Annexure 'C'** to this report in terms of the requirements. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are in accordance with Schedule VII of the Companies Act, 2013. The details of Projects undertaken are attached herewith as **Annexure 'D'** and forms part of this Report.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE

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



DIRECTORS RESPONSIBILITIES STATEMENT

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

- i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.
- ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March 2018.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts of the Company have been prepared on a going concern basis.
- v. Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.



COMPLIANCES

1. The Balance Sheet and Statement of Profit and Loss for the period under review are revised as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.
2. The Company has complied with the applicable Secretarial Standards viz. SS-1 and SS-2 during the year.

AUDITORS

i. STATUTORY AUDITORS:

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

OBSERVATIONS OF STATUTORY AUDITORS

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March, 2018 read with the explanatory notes therein are self-explanatory and therefore do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

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

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

ii. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates (UIN- 11982MH008800), a firm of Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the financial year under review. The Report of the Secretarial Audit Report is annexed herewith as **Annexure 'F'**.

OBSERVATIONS OF SECRETARIAL AUDIT REPORT

Board's reply on Observation of Secretarial Auditor specified in the Secretarial Audit Report (**Annexure 'F'** hereto) are as under:

- (a) The Company had not paid Stamp Duty related to Bihar, Chandigarh, Punjab and Uttarakhand states in respect of its Broking Business, as there was no mechanism formulated for discharging Stamp Duty liability. Further, the Company is coordinating with Stock Exchanges & Registrar of Stamp Duty to ascertain the mechanism of discharging such liability. Once the

process is established, the Company will make the necessary payment.

(b) The Company inadvertently missed out to mention the dates of Board Meetings in Directors' Report dated May 10, 2017.

iii. **INTERNAL AUDITOR**

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

CORPORATE GOVERNANCE

The Company's policy on Corporate Governance has been:

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

PREVENTION OF SEXUAL HARASSMENT

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

FUTURE OUTLOOK

The Investment Banking business in the year ahead will be governed significantly by macro-economic conditions - rising interest rates, inflation, oil prices point towards a more challenging year ahead. Forthcoming state and national elections are likely to add greater volatility to the stock markets. As a result, markets are likely to offer fewer periods of opportunities for transactions to go through, unlike last year where almost the entire year offered suitable conditions for launch of transactions in the capital markets.

The future scenario on commissions and yields looks daunting. On the domestic side, one very large institution has cut its commissions by 33% - others have not yet followed suit, but they could do that any time during the year. European investors have moved to a new set of regulations (MIFID), effective 3rd January 2018, that impacts the sell side quite adversely and dramatically. These regulations are increasingly used by funds across the globe thereby driving commission yields further downwards. And it is in tough times like this that Axis Capital has thrived and grown stronger.

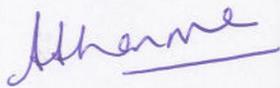
MIFID now forces us to focus sharper on our research team and products. Last year, we added six new products and increased our research productivity by more than 40%. The results are beginning to show. We increased and / or maintained our rankings with nearly 30 of the largest institutions. We hope to better that number in the coming year.

ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board of Directors



CHAIRMAN/ CHAIRPERSON

Place: Mumbai

Date: ..*APRIL*...*13*...*2018*

Annexre 'A'

Form AOC-I

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

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

Part "A": Subsidiaries

Sr. No.	Particulars	Particulars
1	Name of the subsidiary	Axis Capital USA LLC
2	The date since when subsidiary was acquired	02/08/2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April To March
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD
5	Share capital	Nil
6	Reserves and Surplus	\$ -56,395.59
7	Total Assets	\$ 2,000.10
8	Total Liabilities	\$ 58,395.69
9	Investments	Nil
10	Turnover	Nil
11	Profit before taxation	\$ -56,395.59
12	Provision for taxation	Nil
13	Profit after taxation	\$ -56,395.59
14	Proposed Dividend	Nil
15	% of shareholding	NA

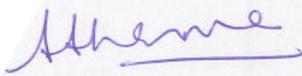


Part "B": Associates

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

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

For and on Behalf of the Board of Directors



CHAIRMAN/ CHAIRPERSON

Place: Mumbai

Date: *A.P.R.I.L. 13, 2018*



Annexure 'B'

**Extract of Annual return
Form MGT - 9**



AXIS CAPITAL LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended on March 31, 2018**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - U51900MH2005PLC157853
- ii) Registration Date- 06/12/2005
- iii) Name of the Company: AXIS CAPITAL LIMITED
- iv) **CATEGORY OF THE COMPANY: -**

- (1) Public Company-√
- (2) Private company-

SUB CATEGORY OF THE COMPANY:

- 1) Government Company-
- 2) Small Company-
- 3) One Person Company-
- 4) Subsidiary of Foreign Company-
- 5) NBFC-
- 6) Guarantee Company-
- 7) Limited by shares - √
- 8) Unlimited Company-
- 9) Company having share capital-√
- 10) Company not having share capital-
- 11) Company Registered under Section 8-



v) Address of the Registered Office and contact details

Address :	Axis House, 8 th Floor
Town / City :	Wadia International Centre, Pandurang Budhkar Marg, Worli
District :	Mumbai
State :	Maharashtra
Telephone :(With STD Area Code Number)	+9122 4325 1199
Pin Code	400025
Fax Number :	+91224325 3000
Email Address :	Natarajan.mahadevan@axiscap.in
Website (if any)	www.axiscap.in

vi) Whether Shares Listed on Recognized Stock Exchange(S) - NO

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Name of Registrar & Transfer Agents:

Address :	Karvy Computershare Pvt Limited
Town / City :	17-24 Vithal Rao Nagar Madhapur
District :	Hyderabad
State :	Telangana
Telephone :(With STD Area Code Number)	+9104044655265
Pin Code	500081
Fax Number :	+9144655265
Email Address :	Ramchandra.v@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Merchant Banking	67110	
2	Stock Broking	67120	
3	Mutual Fund advisory and treasury	67190	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Axis Bank Limited TRISHUL 3RD FLOOR OPP SAMARTHESHWAR TEMPLE LAW GARDEN ELLISBRIDGE AHMEDABAD 380006	L65110GJ1993PLC020769	Holding Company	*100%	Sec. 2(46)
2	Axis Capital USA LLC	File No. 6499349	Subsidiary Company	**	Sec. 2(87)

*Including 60 shares (0.00008%) held by individuals as Nominee of Axis Bank Limited.
(Beneficial ownership is with Axis Bank Limited.)

**The capital contribution in Company's Foreign Subsidiary Company viz. Axis Capital USA LLC is pending as of March 31, 2018.

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
	*73500000	Nil	*73500000	100%	*73500000	Nil	*73500000	100%	NIL
e) Banks / FI									
f) Any									
Other....									
	*73500000	Nil	*73500000	100%	*73500000	Nil	*73500000	100%	NIL
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
	*73500000	Nil	*73500000	100%	*73500000	Nil	*73500000	100%	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									

a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1									



lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	*73500000				100%				

*Including 60 shares (0.00008%) held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	*73500000	100%	Nil	*73500000	100%	Nil	Nil
	Total	*73500000	100%	Nil	*73500000	100%	Nil	Nil

*Including 60 shares (0.00008%) held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	73500000	100%	73500000	100%
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. / bonus/ sweat equity etc)	-		-	
	At the End of the year	73500000	100%	73500000	100%

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

v) Shareholding of Directors and Key Managerial Personnel: NIL

Sr. No	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the Beginning of the year:					
	Increase/ decrease in Share Capital					
	At the End of the year					

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year Addition Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD	Total Amount (Amt. in Rs.)
		Dharmesh Mehta	
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		2,25,00,000

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission as % of profit	--	--
5	Others, please specify Variable Incentives Ex- gratia 14-15 paid in 17-18 Ex- gratia 15-16 paid in 17-18 Ex-gratia 16-17 paid in 17-18		45,61,761 39,00,491 4,70,25,000
	Total (A)		7,79,87,252
	Ceiling as per the Act <i>*10% of the net profit calculated as per Section 198</i>		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
	1. Independent Directors		
	<input type="checkbox"/> Fee for attending board / committee meetings	Prof. Samir Barua Mr. Bahram Vakil Mr. Manish Chokhani	5,50,000 3,50,000 5,50,000
	<input type="checkbox"/> Commission		
	<input type="checkbox"/> Others, please specify		
	Total (1)		14,50,000
	2. Other Non-Executive Directors	Nil	Nil
	<input type="checkbox"/> Fee for attending board /		

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

Sl.no.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary Mahadevan Natarajan		CFO Neelesh Baheti	Total (Amt. in Rs.)
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	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission as % of profit	--	--	--	--
5	Others : Ex- gratia 14-15 paid in 17-18 Ex- gratia 15-16 paid in 17-18				
	Total	1,67,72,221			

- Payment basis

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

For and on behalf of the Board



CHAIRMAN/ CHAIRPERSON

DIN:

Date: April 13, 2018

Place: Mumbai



Annexure 'C'

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



Form No. AOC-2

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

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

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

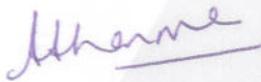
(a) Name(s) of the related party and nature of relationship	:	Nil
(b) Nature of contracts/arrangements/transactions	:	Nil
(c) Duration of the contracts / arrangements/transactions	:	Nil
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	:	Nil
(e) Justification 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	:	<ol style="list-style-type: none"> 1. Axis Bank Limited (Holding Company) 2. Axis Securities Limited (Fellow Subsidiary Company) 3. Axis Finance Limited (Fellow Subsidiary Company) 4. Axis Trustee Services Limited (Fellow Subsidiary Company) 5. Axis Private Equity Limited (Fellow Subsidiary Company) 6. Axis Capita USA LLC (Subsidiary Company)
(b) Nature of contracts/arrangements/transactions	:	<ol style="list-style-type: none"> 1. Availing and rendering services 2. Availing and rendering services 3. Availing and rendering services 4. Availing and rendering services 5. Availing and rendering services 6. Availing and rendering services
(c) Duration of the contracts / arrangements/transactions	:	<ol style="list-style-type: none"> 1. Continuous 2. Continuous 3. Non recurring 4. Non recurring

		5. Non recurring 6. Continuous
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	:	Please refer Financial Statements
(e) Date(s) of approval by the Board, if any	:	Quarterly
(f) Amount paid as advances, if any	:	Nil

For and on behalf of the Board of Directors of



CHAIRMAN/CHAIRPERSON



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

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

The CSR Committee will play the following role in fulfilling the Company's objectives:

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The Company believes in engaging and giving back to the community in a meaningful way and in line with the Company's commitment to philanthropy. The Company's CSR policy encompasses the Company's philosophy for undertaking socially useful programmes for welfare and sustainable development of the community at large. The Company's CSR initiatives are focused in the areas of conservation of environment, flora & fauna, wildlife conservation and community development, education, public health and livelihoods.

2. The composition of the CSR Committee – **As mentioned in the Report**
3. Average Net Profit of the Company for **last three financial years – Rs.171,87,59,310**
4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) –
Rs. 3,43,75,190
5. Details of CSR spent during the financial year:-
(a) Total amount spent for the financial year – **Rs. 3,43,76,000**
(b) Amount unspent if any – **Rs Nil.**
(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1	Nil	Nil	Nil	Nil	Nil	Nil	3,43,76,000

6. The CSR Committee hereby affirms that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.



Managing Director & CEO
DIN -



(Chairman CSR Committee)
DIN -



POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE

- a. Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute rule or regulation which the committee deems relevant and to make recommendations to the Board in respect to the appointment, re-appointment and resignation of independent, executive and non-executive directors of the Company;
- b. Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a director of the Company, as determined by the committee;
- c. Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
- d. Review all stockholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board) and the timelines of the submission thereof and recommend to the Board appropriate action on each such proposal;
- e. Ensure "fit and proper" status of existing/proposed directors of the
- f. Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- g. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmark;

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

SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.
CIN No. U51900MH2005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &
Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.

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

- h. Ensure that remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of policy, relating to the remuneration for the directors, KMPs and other employees of the Company;
- j. Formulate the criteria for evaluation of independent directors and the Board;
- k. Devise a policy on Board diversity;
- l. Identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- m. Deal with such matters as may be referred to by the Board of directors from time-to-time.



ANNEXURE 'F'

SECRETARIAL AUDIT REPORT



Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Date: 12th April, 2018

To,
**The Members,
Axis Capital Limited
Mumbai**

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

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

**For JAYSHREE DAGLI & ASSOCIATES
COMPANY SECRETARIES**

**JAYSHREE S. JOSHI
F.C.S.1451 C.P.487**

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

To,
**The Members,
Axis Capital Limited
Mumbai**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Capital Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

- (A) We have examined the books, papers, minutes books, forms and returns filed and other records maintained by **Axis Capital Limited** ("the Company") for the financial year ended on 31st March, 2018, according to the provisions of:
- (1) The Companies Act, 2013 (the Act) & the rules made thereunder;
 - (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



Contd...2



JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

:: 2 ::

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(6) Based on the nature of business activities of the Company, the following specific Acts / Laws / Rules / Regulations are applicable to the Company:

- (i) SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 as amended;
- (ii) SEBI (Merchant Bankers) Regulations, 1992.
- (iii) Labour Laws, to the extent applicable.

(B) We have also examined compliance with the Secretarial Standards for Board Meetings (SS - 1) and for General Meetings (SS - 2).

It may please be noted that, the compliance of applicable financial laws including Direct and Indirect Tax Laws; maintenance of Financial Records and Books of Accounts etc. by the Company has not been reviewed by us for the purpose of this Audit since the same has been subject matter of review by the Statutory Auditors and / or other designated professionals. Further, we have also relied upon the certificates / reports, as the case may be, issued by the Statutory Auditors and / or other designated professionals, wherever applicable.

During the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except / other than the points / issues enumerated in **Annexure - I** attached herewith.

During the year under review provisions of the following Regulations (as enumerated in the prescribed format of Form MR-3) were not applicable to the Company:

- (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
- (vii) SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 [The Company being an UNLISTED Company.]



Contd 3.

Jayshree S. Joshi

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PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

:: 3 ::

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors & Non-Executive Directors pursuant to the provisions of Companies Act, 2013. There was no change in the composition of the Board of Directors during the year under review.

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

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as mentioned herein above.

We further report that during the audit period the company had specific events / actions as detailed in **Annexure - II** to this Report having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to herein above.

Place : Mumbai

Date: 12th April, 2018.

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
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JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

ANNEXURE - I

- (1) The Stamp duty falling under the purview of the State of Bihar, Chandigarh, Punjab and Uttarakhand on relevant documents w.r.t. Broking business of the Company was not paid.
- (2) The Company has received an Order on 31st March, 2016, from SEBI, being the SEBI ADJUDICATION ORDER NO. AK/AO- 8-12/2016 dated 31.03.2016 levying Penalty of Rs.1.00 Crore on the Company as one of the Book Running Lead Managers - BRLMs (Joint & several liability with other BRLMs) w.r.t. an Issue of Securities by a Client Company during the FY 2010-11. The Company filed an Appeal on 19th May, 2016 with Securities Appellant Tribunal (SAT) in respect thereof. The said Appeal is still pending for final disposal with SAT.
- (3) It was observed that in Directors' Report dated 10.05.2017, the dates of meetings of Board and Committee were not given/mentioned.

Place : Mumbai

Date: 12th April, 2018.

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

JAYSHREE S. JOSHI
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PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
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COMPANY SECRETARIES

Annexure-II

Table Showing Specific Events and Actions for FY 2017-18

<u>Sr.No.</u>	<u>Particulars of the Event</u>	<u>Date of Board Resolution</u>	<u>Date of General Meeting Resolution</u>
1.	Approval of Members for Re-appointment of Mr. Dharmesh Mehta as Managing Director for further period of 5 years w.e.f. 15.11.2016.	--	23.06.2017

Place : Mumbai

Date: 12th April, 2018.

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

Jayshree S. Joshi

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

HARIBHAKTI & CO. LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Capital Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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



HARIBHAKTI & CO. LLP

Chartered Accountants

Opinion

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

Other Matter

The financial statements of the Company for the previous year ended March 31, 2017, were audited by another firm of Chartered Accountants who have expressed an unmodified opinion on those financial statements vide their report dated April 12, 2017.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements read with Notes comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21 on Contingent Liabilities to the financial statements;
 - (ii) The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contract hence the question of any material foreseeable losses on account of same does not arise;



HARIBHAKTI & CO. LLP

Chartered Accountants

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Manoj Kumar Daga

Partner

Membership No.048523



Place: Mumbai

Date: April 13, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Capital Limited on the financial statements for the year ended March 31, 2018.]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, fixed assets have been physically verified by the Management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties, therefore clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- (ii) The Company's stock-in trade comprises of securities, which could be held in physical or dematerialised form. Physical securities have been verified by the Management during the year and the securities held as stock-in-trade by the custodian are verified with the confirmation statement received from them on a regular basis during the year. In our opinion, the frequency of these verifications is reasonable. The Company is maintaining proper records of securities held as stock in trade and no material discrepancies were noticed on comparing the statement from custodian and physical shares with book records.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and service tax, service tax, value added tax, customs duty, cess and any other material statutory dues applicable to it. The provisions relating to employees' state insurance, sales tax and excise duty are not applicable to the Company

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, service tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales tax and excise duty are not applicable to the Company.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:



HARIBHAKTI & CO. LLP

Chartered Accountants

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	637,376	A.Y. 2009-10	CIT Appeals
Income Tax Act, 1961	Income Tax and Interest	18,554,588	A.Y. 2010-11	CIT Appeals
Income Tax Act, 1961	Income Tax and Interest	57,261,830	A.Y. 2012-13	CIT Appeals
Income Tax Act, 1961	Income Tax and Interest	197,660	A.Y. 2014-15	CIT Appeals
Municipal Corporation Act, 1888	Tax and Interest	6,306,470	April 2001 to September 2012	Supreme Court
Finance Act, 1994	Service Tax and Penalty	213,507,306	July 2012-September 2014	Commissioner of Service Tax, Mumbai
Finance Act, 1994	Service Tax	1,556,524	Aug 2003-October 2004	Supreme Court
Finance Act, 1994	Service Tax	253,996	Sept 2002-March 2004	Supreme Court
Finance Act, 1994	Service Tax and Penalty	693,428	April 2003 to October 2005	Customs Excise and Service Tax Appellate Tribunal

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a bank. Further, the Company does not have any dues payable to financial institutions, governments or debenture holders.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.



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Chartered Accountants

- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Manoj Daga Kumar
Partner
Membership No.048523
Place: Mumbai
Date: April 13, 2018

HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are



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being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Manoj Kumar Daga
Partner
Membership No.042583



Place: Mumbai

Date: April 13, 2018

**Financial Statements
for the year ended 31st March 2018**

AXIS CAPITAL LIMITED

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

AXIS CAPITAL LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

(Amount in ₹)

	Note No.	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	735,000,000	735,000,000
Reserves and surplus	4	3,525,331,812	3,375,937,505
		<u>4,260,331,812</u>	<u>4,110,937,505</u>
NON-CURRENT LIABILITIES			
Long term provisions	5	182,333,193	131,881,688
		<u>182,333,193</u>	<u>131,881,688</u>
CURRENT LIABILITIES			
Trade payables	6	-	-
Due to micro and small enterprises		-	-
Due to others		8,242,624,025	7,263,493,151
Other current liabilities	7	281,168,009	46,803,295
Short term provisions	5	646,011,778	435,008,916
		<u>9,169,803,812</u>	<u>7,745,305,362</u>
		<u>13,612,468,817</u>	<u>11,988,124,555</u>
ASSETS			
NONCURRENT ASSETS			
Fixed Assets	8		
Property, plant and equipment		7,983,041	7,051,272
Intangible assets		2,849,766	2,182,336
Intangible assets under development		974,050	235,500
		<u>11,806,857</u>	<u>9,469,108</u>
Deferred tax assets (net)	29	10,411,648	27,466,278
Long term loans and advances	10	115,832,546	95,673,917
Other non-current assets	11.2	287,122,650	55,937,149
		<u>413,366,844</u>	<u>179,077,344</u>
CURRENT ASSETS			
Current investments	9	1,008,522,334	1,470,683,398
Stock-in-trade	12	-	2,313
Trade receivables	11.1	8,674,844,945	7,138,337,465
Cash and bank balances	13	3,348,340,412	2,592,598,516
Short-term loans and advances	10	97,372,575	475,363,497
Other current assets	11.2	58,214,850	122,592,914
		<u>13,187,295,116</u>	<u>11,799,578,103</u>
		<u>13,612,468,817</u>	<u>11,988,124,555</u>

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W7-W100048

Manoj Kumar Daga

Manoj Kumar Daga
Partner

Membership No. :- 048523

Place: Mumbai

Date: 13 April 2018



For and on behalf of the Board of Directors

Shikha Sharma

Shikha Sharma
Chairperson
DIN No. :- 00043265

Neelesh Baheti

Neelesh Baheti
Chief Financial Officer

Dharmesh Mehta

Dharmesh Mehta
Managing Director & CEO
DIN No. :- 06734366

M. Natarajan

M. Natarajan
Company Secretary



AXIS CAPITAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount In ₹)

	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operation	14	4,022,715,933	3,186,112,926
Other income	15	322,345,743	251,626,180
		4,345,061,676	3,437,739,106
Employee benefit expense	16	1,256,760,525	985,152,616
Finance costs	17	4,617,253	6,455,206
Depreciation and amortization	18	4,382,110	4,092,151
Other expenses	19	935,579,310	720,546,719
		2,201,339,198	1,716,246,692
Profit/(loss) before tax		2,143,722,478	1,721,492,414
Tax expenses:			
Current tax		746,000,000	587,000,000
Short / (Excess) provision for tax of earlier years		(7,206,647)	-
Deferred Tax		17,054,630	2,324,629
Total tax expense		755,847,983	589,324,629
Profit/(loss) for the year		1,387,874,495	1,132,167,785
Earning per equity share:	20		
(Nominal value per share ₹10 (31 March 2017: ₹10))			
Basic		18.88	15.40
Diluted		18.88	15.40

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

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



Manoj Kumar Daga
Partner

Membership No. :- 048523

Place: Mumbai

Date: 13 April 2018

For and on behalf of the Board of Directors

Shikha Sharma
Chairperson
DIN No. :- 00043265

Neelesh Baheti
Chief Financial Officer

Dharmesh Mehta
Managing Director & CEO
DIN No. :- 06734366

M. Patrajan
Company Secretary



AXIS CAPITAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
	₹	₹
A) Cash flows from operating activities		
Profit/(loss) before taxes	2,143,722,478	1,721,492,414
Non cash & non operating adjustments:		
Profit on sale of current investment	(77,383,293)	(71,558,785)
Interest Income	(208,648,509)	(138,917,219)
Interest Income on Income tax refund	(16,375,217)	-
Reversal of liability no longer required	(18,275,499)	(4,992,001)
Depreciation and amortisation	4,382,110	4,092,151
Unrealised foreign (gain)/loss	(294,018)	(9,717)
Provision for contingent liabilities	1,973,000	527,000
Provision for doubtful advances	262,922	2,250,838
Bad advances written off	2,211,391	-
Reversal of provision for doubtful advances	(2,250,838)	-
Provision for bad and doubtful debts	23,278,293	648,051
Bad debts and sundry balances written off	9,082,539	7,487,642
Reversal of provision of doubtful debts	(8,282,152)	(9,271,359)
Loss / (profit) on sale of fixed assets	-	(94,200)
Operating profit/(loss) before working capital changes	1,853,403,207	1,511,654,815
Movement in working capital:		
Decrease / (increase) in long term loan & advances	(303,497)	826,733
Decrease / (increase) in short term loan & advances	377,767,447	(456,239,630)
Decrease / (increase) in trade receivables	(1,558,071,760)	(4,607,105,055)
Decrease / (increase) in stock-in-trade	2,313	3,657
Decrease / (increase) in other current assets	(7,083,380)	(2,497,107)
Increase / (decrease) in long term provisions	50,451,505	131,881,688
Increase / (decrease) in short term provisions	188,010,296	(56,501,755)
Increase / (decrease) in trade payables	997,318,864	5,067,191,581
Increase / (decrease) in other current liabilities	231,586,930	22,150,949
Cash generated from operations	2,133,081,925	1,611,365,876
Direct taxes paid (net of refund)	(739,782,374)	(650,155,614)
Net cash from operating activities	1,393,299,551	961,210,262
B) Cash flow from Investing activities		
Purchase of fixed assets including cwp	(3,921,494)	(4,805,175)
Proceeds from sale of fixed assets	-	94,200
Purchase of Investments	(7,065,085,471)	(8,621,056,014)
Sale of Investments	7,604,629,828	7,221,931,402
Investment in bank fixed deposit	(3,901,000,000)	(3,094,576,492)
Redemption of bank fixed deposit	3,262,201,492	2,990,575,000
Interest received	276,949,453	140,742,862
Interest Income on Income tax refund	16,375,217	-
Net cash used in Investing activities	190,149,025	(1,367,094,217)
C) Cash flows from financing activities		
Equity dividend paid	(1,029,000,000)	(514,500,000)
Tax on equity dividend paid	(209,480,188)	(104,740,094)
Net cash used in financing activities	(1,238,480,188)	(619,240,094)
Net increase in cash and cash equivalents (A+B+C)	344,968,388	(1,025,124,049)
Cash and cash equivalents at the beginning of the year	181,097,024	1,206,221,073
Cash and cash equivalents at the end of the year	526,065,412	181,097,024
Components of cash and cash equivalents		
Cash in hand	55,679	64,499
Balances with banks:		
-On current accounts	526,009,733	181,032,525
Total	526,065,412	181,097,024

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

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

As per our report on even date
For Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration No. 103573W/100048
MUMBAI
MANOJ KUMAR DAGA
Partner
Membership No. :- 048523
Place: Mumbai
Date: 13 April 2018

For and on behalf of the Board of Directors

Shikha Sherna

Shikha Sherna
Chairperson
DIN No. :- 00043265

Neelesh Baheti
Neelesh Baheti
Chief Financial Officer

Dharmesh Mehta
Dharmesh Mehta
Managing Director & CEO
DIN No. :- 06734366

M. Natarajan
M. Natarajan
Company Secretary



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

1. Nature of operations

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with relevant rules framed thereunder ('the Act'). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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

2.1 Summary of significant accounting policies

i. Use of estimates

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

ii. Plant, Property and Equipment

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

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

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



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Signature



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

iii. Depreciation on plant, property and equipment

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

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

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- The useful lives of certain office equipment are estimated as 3 to 10 years.
- Furniture and fixtures and vehicles are depreciated over the estimated useful lives of 10 years and 4 years.

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

iv. Intangible assets

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

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

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

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

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

Computer software

Rates (SLM)
20%



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

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

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

vi. Leases

Where Company is the lessee

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

vii. Revenue recognition

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

Brokerage -

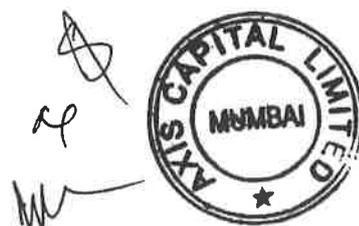
- a. Brokerage income in relation to stock broking activity is recognized as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis.
- b. Gains/losses on dealing in securities are recognized on a trade date basis.

Investment Banking -

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

Interest and dividend -

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



Notes to financial statements for the year ended 31 March 2018

viii. Stock-in-trade

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

ix. Retirement and other employee benefits

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

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

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

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

x. Income taxes

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

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

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

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



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

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

xi. Investment

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

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

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

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

xii. Borrowing costs

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

xiii. Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

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



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

(iii) Exchange differences

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

xiv. Earnings Per Share

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

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

xv. Provisions

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

xvi. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xvii. Cash and cash equivalents

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



AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Share capital

	31-Mar-18 ₹	31-Mar-17 ₹
Authorised share capital 175,000,000 (31 March 2017: 175,000,000) equity shares of ₹10/- each	1,750,000,000	1,750,000,000
Issued share capital 73,500,000 (31 March 2017: 73,500,000) equity shares of ₹10/- each	735,000,000	735,000,000
Subscribed and fully paid-up shares 73,500,000 (31 March 2017: 73,500,000) equity shares of ₹10/- each	735,000,000	735,000,000

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

Equity shares	31-Mar-18		31-Mar-17	
	No.	₹	No.	₹
At the beginning of the year	73,500,000	735,000,000	73,500,000	735,000,000
Issued during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Outstanding at the end of the year	73,500,000	735,000,000	73,500,000	735,000,000

(b) Terms/right attached to equity shares

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

During the year ended 31 March 2018, the amount of per share dividend recognized as distributions to equity shareholders was ₹14/- (31 March 2017: ₹7/-).

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

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

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

Name of shareholder	31-Mar-18		31-Mar-17	
	₹	% of holding	₹	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2017: 73,500,000) equity shares of ₹10/- each	735,000,000	100%	735,000,000	100%

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

Name of shareholder	31-Mar-18		31-Mar-17	
	No. of shares	% of holding	No. of shares	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2017: 73,500,000) equity shares of ₹10/- each	73,500,000	100%	73,500,000	100%

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

(e) Proposed dividends on Equity shares

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

	31-Mar-18 ₹	31-Mar-17 ₹
Proposed dividend on equity shares for the year ended on 31 March 2018: ₹16/- per share (31 March 2017: ₹14/- per share)	1,176,000,000	1,029,000,000
Dividend Distribution Tax on proposed dividend on equity shares	241,730,259	209,480,188
Total	1,417,730,259	1,238,480,188



AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Reserve & Surplus

	31-Mar-18 ₹	31-Mar-17 ₹
General Reserve		
Balance as per last financial statements	129,237,420	129,237,420
Addition	-	-
Balance at the end of the year	A 129,237,420	129,237,420
Surplus/(deficit) In the statement of profit and loss		
Balance as per last financial statements	3,246,700,085	2,733,772,394
Profit for the year	1,387,874,495	1,132,167,785
Less: Appropriations		
Final equity dividend (amount per share ₹14/- (31 March 2017: ₹7))	(1,029,000,000)	(514,500,000)
Tax on equity dividend	(209,480,188)	(104,740,094)
Total appropriations	B (1,238,480,188)	(619,240,094)
Balance at the end of the year	3,396,094,392	3,246,700,085
Total	(A+B) 3,525,331,812	3,375,937,505

5. Provisions

	Long-term		Short-term	
	31-Mar-18 ₹	31-Mar-17 ₹	31-Mar-18 ₹	31-Mar-17 ₹
Provision for employee benefits				
Gratuity payable (funded) (refer note no. 27)	-	-	23,550,602	7,977,325
Provision for compensated absences	-	-	1,049,728	1,116,656
Provision for bonus (refer note no. 32)	181,024,198	131,881,688	594,447,484	421,294,318
	181,024,198	131,881,688	619,047,814	430,388,299
Other provisions				
Provision for tax [net of advance tax of ₹724,720,928 (Previous Year: ₹Nil)]	-	-	21,130,630	-
Lease equalization	1,308,995	-	-	760,283
Provision for litigation (refer note 21 & 34)	-	-	5,833,334	3,860,334
	1,308,995	-	26,963,964	4,620,617
Total	182,333,193	131,881,688	646,011,778	435,008,916

6. Trade Payables

	31-Mar-18 ₹	31-Mar-17 ₹
Trade payables		
-Due to micro and small enterprises	-	-
-Due to holding company 'Axis Bank Limited'	2,777,434	8,582,326
-Due to others	8,239,846,591	7,254,910,825
Total	8,242,624,025	7,263,493,151

7. Others current liabilities

	31-Mar-18 ₹	31-Mar-17 ₹
Other payable		
-Statutory dues	277,753,636	46,691,038
-Other outstanding liabilities	561,353	57,603
-Capital Creditors	2,853,020	54,654
Total	281,168,009	46,803,295



AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Fixed Assets

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



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AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Fixed Assets (Contd.)

Previous Year	Gross Block					Depreciation				Net Block	
	As at 31 March, 2016	Additions during the year	Deductions during the year	As at 31 March, 2017	As at 31 March, 2016	Charge for the year	Deductions during the year	As at 31 March, 2017	As at 31 March, 2017	As at 31 March, 2016	
Property, plant and equipment	33,932,547	4,109,212	3,979,561	34,062,198	28,691,201	3,488,805	3,979,561	28,200,445	5,861,753	5,241,346	
Computers	265,996	-	-	265,996	101,925	22,848	-	124,773	141,223	164,071	
Furniture	13,066	-	-	13,066	13,066	-	-	13,066	-	-	
Vehicles											
Office Equipment											
Printers etc.	2,091,876	-	218,707	1,873,169	1,738,890	136,553	218,707	1,656,736	216,433	352,986	
Fax, UPS, Batteries etc.	345,631	14,500	-	360,131	315,485	14,548	-	330,033	30,098	30,146	
EPABX etc.	74,648	-	-	74,648	74,648	-	-	74,648	-	-	
Others	1,370,442	-	-	1,370,442	446,393	122,284	-	568,677	801,765	924,049	
Intangible assets	38,094,206	4,123,712	4,198,268	38,019,650	31,381,608	3,785,038	4,198,268	30,968,378	7,051,272	6,712,598	
Software	700,219	2,041,309	-	2,741,528	252,079	307,113	-	559,192	2,182,336	448,140	
Intangible assets under development	1,650,000	615,000	2,029,500	235,500	-	-	-	-	235,500	1,650,000	
Total	40,444,425	6,780,021	6,227,768	40,996,678	31,633,687	4,092,151	4,198,268	31,527,570	9,469,108	8,810,738	

(Amount in ₹)



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AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9. Investment

	Non-current		Current	
	31-Mar-18 ₹	31-Mar-17 ₹	31-Mar-18 ₹	31-Mar-17 ₹
Units of Mutual Funds (fully paid) (Unquoted, valued at lower of cost and fair value)				
Aditya Birla Sun Life Savings Fund - Regular - Growth*	-	-	-	250,100,000
Axis Liquid Fund - Direct - Growth	-	-	500,522,334	-
Axis short Term Fund – Direct - Growth*	-	-	100,000,000	575,378,329
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	408,000,000	221,705,069
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Plan - Regular	-	-	-	423,500,000
Total	-	-	1,008,522,334	1,470,683,398

*pledged to Stock Exchange and Bankers amounting to ₹393,325,002 (31 March 2017: ₹825,478,329)

10. Loans and advances

	Non-current		Current	
	31-Mar-18 ₹	31-Mar-17 ₹	31-Mar-18 ₹	31-Mar-17 ₹
Security/margin deposit				
Unsecured, considered good	18,711,500	18,636,500	2,510,000	450,010,000
A	18,711,500	18,636,500	2,510,000	450,010,000
Advances recoverable in cash or kind				
Unsecured, considered good				
-Recoverable from Subsidiary 'Axis Capital USA LLC'	-	-	2,558,479	-
-Recoverable from others	-	-	27,784,721	13,620,146
	-	-	30,343,200	13,620,146
Unsecured, considered doubtful				
-Recoverable from others	-	-	262,922	2,250,838
Provision for doubtful advances	-	-	(262,922)	(2,250,838)
B	-	-	30,343,200	13,620,146
Other loans and advances (Unsecured, considered good)				
Loans to employees	-	-	527,806	28,360
Advance Income-tax [net of provision of ₹3,701,200,000 (Previous year: ₹4,211,200,000)]	96,884,553	77,029,421	-	-
Prepaid expenses	236,493	7,996	4,672,120	4,764,991
Balance with statutory/government authorities	-	-	59,319,449	6,940,000
C	97,121,046	77,037,417	64,519,375	11,733,351
Total	(A+B+C)	95,673,917	97,372,575	475,363,497



AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Trade receivables and other assets

11.1 Trade receivables

	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	₹	₹	₹	₹
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good				
Receivable from Others	-	-	41,541,464	706,984
Doubtful	-	-	23,278,293	8,282,152
Provision for doubtful receivables	-	-	64,819,757	8,989,136
	-	-	(23,278,293)	(8,282,152)
A	-	-	41,541,464	706,984
Other receivables				
Unsecured, considered good				
Receivable from holding company 'Axis Bank Limited'	-	-	1,913,330	18,090
Receivable from Others	-	-	8,631,390,151	7,137,612,391
Doubtful	-	-	-	-
Provision for doubtful receivables	-	-	8,633,303,481	7,137,630,481
	-	-	-	-
B	-	-	8,633,303,481	7,137,630,481
Total	(A+B)	-	8,674,844,945	7,138,337,465

11.2 Other assets

	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	₹	₹	₹	₹
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note no. 13)	282,700,000	54,675,000	-	-
Others				
Interest accrued on fixed deposits	4,422,650	1,262,149	48,634,362	120,095,807
Interest Receivable	-	-	9,470,488	2,497,107
Income receivable	-	-	110,000	-
Total	287,122,650	55,937,149	58,214,850	122,592,914

12. Stock-in-trade

	31-Mar-18	31-Mar-17
	₹	₹
Opening	2,313	5,970
Purchase	561,976,408	842,190,771
Sale (at cost)*	561,978,721	842,194,428
Closing#	-	2,313

* Loss (net) of ₹ 294,465 (Previous Year: ₹ 606,384) on sale of these shares has been disclosed under Note 19 "Other expenses"

Closing stock has been stated at cost or market value whichever is lower

13. Cash and bank balances

	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	₹	₹	₹	₹
Cash and cash equivalents				
-Cash on hand	-	-	55,679	64,499
Balances with banks:				
-On current accounts	-	-	526,009,733	181,032,525
A	-	-	526,065,412	181,097,024
Other bank balances				
Fixed deposits with original maturity of more than 12 months				
-Lien marked deposits (The period of lien is in line with the period of fixed deposits)	272,800,000	54,675,000	2,817,508,334	1,660,333,333
-Other Deposits	9,900,000	-	4,766,666	751,168,159
B	282,700,000	54,675,000	2,822,275,000	2,411,501,492
Amount disclosed under non-current assets (note 11.2)	C	282,700,000	54,675,000	-
(A+B-C)	-	-	3,348,340,412	2,592,598,516



AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14. Revenue from operations

	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Fees from advisory services and other professional services	2,534,458,658	1,859,555,959
Brokerage Income	1,403,116,094	1,293,794,045
Other operating Income		
-Interest Income on margin money funding	85,141,181	32,762,922
Total	4,022,715,933	3,186,112,926

15. Other Income

	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Profit on sale of current investment	77,383,293	71,558,786
Interest Income on fixed deposit	208,648,509	171,680,142
Interest Income on Income tax refund	16,375,217	-
Reversal of provision/liability no longer required	18,275,499	4,992,001
Miscellaneous Income	1,663,225	3,395,251
Total	322,345,743	251,626,180

16. Employee benefits expense

	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Salaries, wages and bonus (refer note no. 32)	1,217,288,090	967,264,879
Contribution to provident and other funds	6,592,160	4,166,339
Gratuity expense (refer note no. 27)	23,550,602	7,977,325
Staff welfare expenses	9,329,673	5,744,073
Total	1,256,760,525	985,152,616

17. Finance costs

	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Interest on overdraft	4,613,507	6,455,206
Other borrowing cost	3,746	-
Total	4,617,253	6,455,206

18. Depreciation and amortization expense

	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Depreciation of tangible assets	3,641,100	3,785,038
Amortization of Intangible assets	741,010	307,113
Total	4,382,110	4,092,151



AXIS CAPITAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. Other expenses

	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Stamp duty	37,307,090	25,027,954
Trade confirmation charges	39,448,074	38,334,992
Brokerage expenses	292,258,513	331,275,871
Stock exchange expenses	41,102,384	30,658,191
Printing and stationary *	12,167,724	4,781,083
Electricity & water charges	8,574,428	8,718,406
Rent (refer note no. 26)	79,567,055	74,498,935
Repairs & maintenance - others	12,929,525	10,394,512
CSR expenditure (refer note no. 30)	34,376,000	24,850,000
Insurance	845,290	1,275,455
Rates and taxes	4,894,899	5,896,211
Professional fees*	139,388,588	20,796,819
Office expenses*	55,578,272	5,660,266
Deputation expenses	34,868,714	27,887,915
Telephone, fax & internet	8,878,373	9,155,117
Foreign exchange loss	101,911	1,875,246
Loss on sale of devolved securities/dealing error	960,462	1,250,120
Travelling & conveyance expenses	41,360,311	39,700,356
Director's sitting fees	1,453,250	1,105,500
Auditors remuneration:#		
- For audit	1,250,000	2,100,000
- Other	-	12,363
Miscellaneous expenses	63,966,292	56,237,388
Provision for doubtful advances		
- Provision for bad and doubtful advances	262,922	2,250,838
- Bad advances written off	2,211,391	-
- Reversal of provision of doubtful advances	<u>(2,250,838)</u>	-
Bad debts		
- Provision for bad and doubtful debts	23,278,293	648,051
- Bad debts written off	9,082,539	5,426,489
- Reversal of provision of doubtful debts	<u>(8,282,152)</u>	<u>(9,271,359)</u>
Total	<u>935,579,310</u>	<u>720,546,719</u>

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

#previous year figure relates to payments made to predecessor auditors.



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

20. Earnings per Share (EPS)

	2017 - 2018 ₹	2016 - 2017 ₹
Profit/ (loss) after tax	1,387,874,495	1,132,167,785
Net profit/ (loss) for calculation of basic EPS and diluted EPS	1,387,874,495	1,132,167,785
	No.	No.
Weighted average number of equity shares in calculating diluted EPS	73,500,000	73,500,000
Earnings per share (Basic and diluted) (In ₹)	18.88	15.40

21. Contingent Liabilities

	31 March 2018 ₹	31 March 2017 ₹
(A) Claims against the Company not acknowledged as debts*	2,500,000	2,500,000
(B) Tax demand under litigation#		
- For Service Tax	216,011,255	256,625,942
- For Income Tax	11,282,677	6,180,770
- For Property Tax	6,306,570	6,306,570
(C) Outstanding bank guarantee	500,000	-
Total	236,600,502	271,613,282

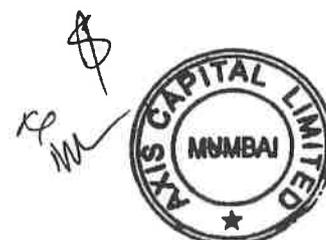
*The Company is facing certain litigations with respect to alleged non disclosures in respect of investment banking jobs handled by the Company. The Management believes that its position will likely be upheld and the outcome of these proceeding will not have a material adverse effect on the Company's financial position and result of operations. During the year, the Company has provided penalty of ₹2,500,000 (Previous Year: ₹527,000) for litigation.

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

22. Capital and other commitments

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

	31 March 2018 (₹)	31 March 2017 (₹)
Commitment for addition/acquisition of software	567,226	494,500
Total	567,226	494,500



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

(B) The Company in the ordinary course of its business has syndicated certain secured instruments aggregating to ₹5,250,000,000 (31 March, 2017: ₹13,020,000,000) wherein the Company is mandated to monetize the underlying security on occurring of certain events to meet the Issuer's obligations and fulfill the shortfall, if any.

(C) For commitments in respect of Leases, refer Note No. 26.

23. Details of Foreign Currency Transactions*

	2017 - 2018 ₹	2016-2017 ₹
Earnings in foreign currency		
a) Fees from advisory services and other professional services	244,269,439	296,807,758
Expenditure in foreign currency		
a) Deputation expenses	22,674,175	10,227,769
b) Professional fees	2,672,280	1,626,320
c) Travelling and conveyance	8,613,404	7,147,085
d) Trade confirmation charges	16,542,656	16,742,835
e) Others	4,693,779	5,128,928

*on accrual basis

24. Segment information

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

25. Related Party Disclosures

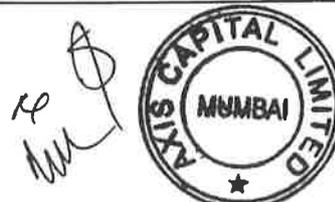
Names of related parties

Holding Company	Axis Bank Limited ("ABL")
Key Management Personnel	Mr. Dharmesh Mehta (Managing Director and CEO) Mr. Mitesh Mehta (Relative of Managing Director and CEO) Mr. Natarajan Mahadevan (Company Secretary) Mr. Bhavesh Rupani (Chief Financial Officer till 24/08/2016) Mr. Neelesh Baheti (Chief Financial Officer w.e.f. 25/08/2016)
Subsidiary	Axis Capital USA LLC ("ACUL") (w.e.f. 02/08/2017)
Fellow Subsidiary	Axis Private Equity Limited ("APEL") Axis Trustee Services Limited ("ATSL") Axis Asset Management Company Limited ("AAMCL") Axis Finance Limited ("AFL") Axis Securities Limited ("ASL")



AXIS CAPITAL LIMITED
Notes to financial statements for the year ended 31 March 2018
Transactions of transactions

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
	(₹)	(₹)	(₹)	(₹)	(₹)
Income					
Income					
Brokerage Income	2,496,426	-	-	-	2,496,426
	(2,537,947)	-	-	-	(2,537,947)
Brokerage Income (AAMCL)	-	-	-	-	-
	-	-	(758,392)	-	(758,392)
Brokerage Income (ASL)	-	-	911,560	-	911,560
	-	-	(12,400,000)	-	(12,400,000)
Bank interest	103,058,856	-	-	-	103,058,856
	(156,788,117)	-	-	-	(156,788,117)
Other reimbursement (APEL)	-	-	748,307	-	748,307
	-	-	(300,000)	-	(300,000)
Advisory Income	123,421,665	-	-	-	123,421,665
	-	-	-	-	-
Service charges (AFL)	-	-	1,134,711	-	1,134,711
	-	-	(1,380,615)	-	(1,380,615)
Expenses					
Remuneration of Key Management Personnel#					
Mr. Dharmesh Mehta	-	-	-	77,987,252	77,987,252
	-	-	-	(64,041,498)	(64,041,498)
Mr. Mitesh Mehta	-	-	-	13,407,147	13,407,147
	-	-	-	(10,983,191)	(10,983,191)
Mr. Natarajan Mahadevan	-	-	-	16,772,221	16,772,221
	-	-	-	(15,011,224)	(15,011,224)
Mr. Bhavesh Rupani	-	-	-	-	-
	-	-	-	(5,227,016)	(5,227,016)
Reimbursement of expense*	160,949,028	-	-	-	160,949,028
	(160,486,612)	-	-	-	(160,486,612)
Interest expense	4,613,507	-	-	-	4,613,507
	(6,455,206)	-	-	-	(6,455,206)
Bank charges	102,774	-	-	-	102,774
	(51,873)	-	-	-	(51,873)
Bank Guarantee Charges	3,746	-	-	-	3,746
	-	-	-	-	-
Demat charges	127,775	-	-	-	127,775
	(96,314)	-	-	-	(96,314)
Brokerage expense	3,839	-	-	-	3,839
	(3,011,511)	-	-	-	(3,011,511)



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

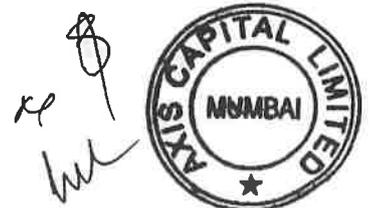
Brokerage expense (ASL)	-	-	826,348	-	826,348
	-	-	(4,317,606)	-	(4,317,606)
Fees paid (ASL)	-	-	-	-	-
	-	-	(20,950)	-	(20,950)
Fees paid (ATSL)	-	-	300,000	-	300,000
	-	-	-	-	-
Other Transactions					
Reimbursement of expense on behalf of Subsidiary	-	2,558,479	-	-	2,558,479
Dividend paid	1,029,000,000	-	-	-	1,029,000,000
	(514,500,000)	-	-	-	(514,500,000)
Bank guarantee availed	500,000	-	-	-	500,000
	-	-	-	-	-
Balances outstanding as at the year end					
Fixed deposit (including interest accrued)	1,058,468,285	-	-	-	1,058,468,285
	(1,694,134,090)	-	-	-	(1,694,134,090)
Current account	520,707,657	-	-	-	520,707,657
	(174,353,548)	-	-	-	(174,353,548)
Trade payables	2,777,434	-	-	-	2,777,434
	(8,582,326)	-	-	-	(8,582,326)
Other receivables	-	2,558,479	-	-	2,558,479
	-	-	-	-	-
Trade receivables	1,913,330	-	-	-	1,913,330
	(18,090)	-	-	-	(18,090)
Outstanding bank guarantee	500,000	-	-	-	500,000
	-	-	-	-	-

Note: Figures in bracket pertain to the previous year.

*Reimbursement of expenses to the holding company includes ₹8,569,850 (Previous Year: ₹3,650,385) in respect of remuneration of Neelesh Baheti (CFO).

#Deferred bonus considered for disclosure and remuneration is based on actual cash payout in the respective year.

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



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

26. Leases

Operating Lease:

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

	Operating Lease	
	2017-2018 (₹)	2016-2017 (₹)
Minimum lease payments :		
-Not later than one year	79,266,570	80,485,538
-Later than one year but not later than five years	38,827,152	114,477,137
-Later than five years	3,636,321	8,981,705
Lease payment for the year	79,567,055	74,498,935

27. Employee Benefits

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

a) Defined contribution plan

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

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Employer's contribution to Provident Fund	6,586,448	4,159,859

b) Defined benefit plan

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

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



AXIS CAPITAL LIMITED**Notes to financial statements for the year ended 31 March 2018****Statement of profit and loss****Net employee benefit expense recognized in employee cost**

	2017-2018 (₹)	2016-2017 (₹)
Current service cost	5,629,901	4,805,050
Interest cost on benefit obligation	5,748,857	6,623,750
Expected return on plan assets	(5,204,804)	(6,418,735)
Net actuarial (gain)/ loss recognised in the year	(9,385,619)	4,012,677
Past Service Cost - Vested benefit recognized during the period	26,762,267	-
Net benefit expense	23,550,602	9,022,742
Actual return on plan assets	6,631,910	5,318,933

Balance sheet**Details of provision for gratuity**

	2017-2018 (₹)	2016-2017 (₹)
Defined benefit obligation	104,749,099	84,294,094
Fair value of plan assets	(81,198,497)	(76,316,769)
Plan (Assets) / Liability	23,550,602	7,977,325

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

	2017-2018 (₹)	2016-2017 (₹)
Opening defined benefit obligation	84,294,094	83,633,206
Interest cost	5,748,857	6,623,750
Current service cost	5,629,901	4,805,050
Benefits paid	(9,727,507)	(13,680,787)
Actuarial (gains)/losses on obligation	(7,958,513)	2,912,875
Past Service Cost - Vested benefit recognized during the period	26,762,267	-
Closing defined benefit obligation	(104,749,099)	84,294,094

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

	2017-2018 (₹)	2016-2017 (₹)
Opening fair value of plan assets	76,316,769	81,044,631
Expected return	5,204,804	6,418,735
Contributions by employer	7,977,325	3,633,992
Benefits paid	(9,727,507)	(13,680,787)
Actuarial gains/(losses)	1,427,106	(1,099,802)
Closing fair value of plan assets	81,198,497	76,316,769



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

The Company expects to contribute ₹23,550,602 (Previous year ₹7,977,325) to gratuity in the next year. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	31 March 2018	31 March 2017
Investment with insurer	100%	100%

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

	Gratuity	
	2017-18	2016-17
	%	%
Discount rate	7.68	6.82
Expected rate of return on assets*	7.68	6.82
Employee turnover	10.00	7.00
Salary escalation rate#	7.00	7.00

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

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

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

	2017-18 (₹)	2016-17 (₹)	2015-16 (₹)	2014-15 (₹)	2013-14 (₹)
Defined benefit obligation	104,749,099	84,294,094	83,633,206	82,605,892	76,527,918
Plan assets	81,198,497	76,316,769	81,044,631	79,641,374	72,895,700
Surplus / (deficit)	(23,550,602)	(7,977,325)	(2,588,575)	(2,964,518)	(3,632,218)
Experience adjustments on plan liabilities	(28,923,544)	(3,311,704)	(5,436,991)	(9,086,211)	(2,204,653)
Experience adjustments on plan assets	1,427,106	(1,099,802)	(360,387)	993,882	1,040,870

28. The outstanding balance on account of principal and interest as on 31 March 2018 remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is ₹ Nil (Previous Year: Nil). The Company has not delayed in making payments to any of the parties registered as small and medium enterprises under MSMED, and there has been no interest accrued or paid in this regard.



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

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

	31 March 2018 (₹)	31 March 2017 (₹)
Deferred tax Assets comprise timing difference on account of :		
-Depreciation	1,343,952	1,492,870
-Provision for doubtful debts	8,146,006	2,866,287
-Provision for doubtful advances	92,007	778,970
-Demerger expenses	-	22,065,032
-Provision for lease equalization charges	458,070	263,119
-Provision for Compensated Absences	367,342	-
-Stamp Duty due but not paid	4,271	-
Total	10,411,648	27,466,278

30. Details of CSR expenditure:

	2017-2018 (₹)	2016-2017 (₹)
Gross amount required to be spent by the Company during the year	34,375,190	24,830,490
Amount spent during the year for purposes other than Construction/acquisition of any asset (in cash)	34,376,000	24,850,000

31. During the year ended 31 March 2017, Axis Capital Limited (ACL) [a wholly owned subsidiary of Axis Bank Ltd.] surrendered its ARN code issued by AMFI for the investment solutions business (hereinafter referred to as IS business). As a result, all clients of the IS business were given the choice to shift their existing investments in different mutual fund schemes under the existing ARN code of Axis Bank Limited (ABL). As there was no objection from any such client, the portfolio of the individual clients was transferred under the ARN code of ABL. Accordingly, the clients of IS business became the clients of ABL. All the AMCs were accordingly intimated asking them to transfer the AUM to the ARN code of the Bank. There was no direct contract entered into as that was not required to be entered into between ACL and ABL for this transaction and accordingly no consideration has been exchanged between the parties on this account.
32. As part of its variable pay structure, the Company defers a part of the entitlement which is to be settled in instalments over a period of three years in the form of Axis Bank Shares ("stock") or at an amount which would be equivalent to the prevailing price at the time of settlement of such stock. The value of such deferred outstanding as on March 31, 2018 is ₹261,296,403/- (Previous year: ₹178,866,006/-).
33. The Company has received margin money in the form of securities from the clients in the normal course of business which are either pledged in favour of the Company or are transferred to the Company's Depository Participant account. Such securities are kept by the Company in a separate Depository Participant account maintained by the Company for all such purposes.



AXIS CAPITAL LIMITED

Notes to financial statements for the year ended 31 March 2018

34. Provisions made for litigation for the year ended March 31, 2018 comprises of:-

Particulars	Opening Balance (₹)	Provided during the year (₹)	Provision utilised / reversed during the year (₹)	Closing Balance (₹)
Provision for litigation	3,860,334 (3,333,334)	2,500,000 (527,000)	527,000 -	5,833,334 (3,860,334)

Refer Note 21(A) for nature of the above provisions. Due to the very nature of such provisions, it is not possible to estimate the timing/uncertainties relating to their outflows.

Note: Figures in bracket pertains to previous year.

35. Previous year's figures have been audited by a firm of Chartered Accountants other than the present auditors.
36. Previous year figures have been re-grouped / reclassified wherever necessary to confirm the current year classification.

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



Manoj Kumar Daga
Partner

Membership No. :- 048523

Place: Mumbai

Date: 13 April 2018



For and on behalf of the board of Directors


Shikha Sharma
Chairperson
DIN No. :- 00043265


Dharmesh Mehta
Managing Director & CEO
DIN No. :- 06734366


Neelesh Baheti
Chief Financial Officer


M. Natarajan
Company Secretary

