AXIS CAPITAL

Axis Capital Limited

DIRECTORS' REPORT

DEAR MEMBERS,

The Directors are pleased to present the Fourteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2020.

FINANCIAL PERFORMANCE:

During the year, the Company achieved a total income of Rs.270.44crores.

The Financial Results of the Company for the year ended 31st March 2020 are given below:

Particulars	**2019-2020**	**2018 – 2019**
	Amount in Rs. in Crores	**Amount in Rs. in Crores**
Operating Income(A)	240.69	215.08
Interest Income on Fixed Deposits and Miscellaneous Income (B)	29.75	27.12
Total Income (A)+(B)	**270.44**	242.20
Operating Expenses	167.95	147.98
Profit/(Loss) before Depreciation, provisions for tax & Write Back/Off	102.49	94.22
Depreciation	1.22	0.76
Less : -Short /Excess Provision of earlier years Written off / Written Back	(0.77)	(1.73)

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Provisions for Tax	35.48	33.91
Profit / (Loss) After Tax	65.56	61.28
Other comprehensive income	0.36	1.06
Total comprehensive income for the year	66.92	62.34

TRANSFER TO RESERVES

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

BUSINESS OVERVIEW AND REVIEW OF OPERATIONS

OPERATIONS

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

Investment Banking

- FY20 has been an eventful year with lots of ups and downs attributed to both local and global factors. While the year started with a strong note there was a massive setback towards the end of the year due to the spread of Corona Virus. This pandemic has put the entire economic activity on hold and the threat may be bigger in scale than the global financial crisis of 2008, especially when India's GDP growth is already at a decadal low.

- Equity fund raising in FY20 was significantly higher as compared to FY19 but the activity was centered around secondary market transactions. Fund raising on account of IPO was INR 20,350 cr as compared to INR 127,054 cr raised through secondary market transactions like QIPs, Rights Issue and OFS raising the total for the year FY20 to INR 147,405 cr (across 66 transactions) as compared to total fund raise of INR 57,741 cr (across 66 transactions) in FY19.

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Primarily, the jump in fund raise was on account of 7 large transactions which constituted >1 lakh crore. While ECM deal activity was higher in FY20 (than FY19), markets were selective about which transactions to take, and hence only the better quality companies were able to attract capital.

Axis Capital's Investment Banking division completed 31 transactions across Equity Capital Markets (ECM) (24 transactions) and Advisory businesses (7 transactions). These include IPOs, QIPs, OFS, Rights Issue, Buybacks, Open Offers, M&A, Private Equity and Structured Finance.

- Axis Capital completed 24 ECM transactions during the year (as against 19 in FY19) including 5 IPOs, 7 QIPs, 4 Buybacks, 3 OFSs, 2 Rights, 2 Open Offers and 1 ECM Advisory transaction. Axis Capital also led 14 out of 26 transactions of INR 1,000 cr+ during FY20 making us the most dominant ECM house in the country and preferred Investment Banker for India Inc. Some of the marquee completed transactions for the year include IPOs of SBI Cards, Polycab India, SpandanaSpoorthy, QIP of Bharti Airtel, Axis Bank, Bajaj Finance, Avenue Supermarts, Godrej Properties, Cholamandalam Investments & Finance, OFS Of Avenue Supermarts and L&T Technology Services, Rights Issue of Bharti Airtel & Tata Sponge and Open offer of Mindtree Ltd.

- Many of the transactions executed by Axis Capital during the year were landmark transactions – SBI Cards IPO (3rd largest IPO ever), Bharti Airtel QIP (largest ever private sector QIP), Axis Bank QIP (2nd largest private sector QIP), Bharti Airtel Rights (2nd largest Rights Issue).

- Our marketing and regulatory teams did an outstanding job across deals. While we continued to provide leadership to the transactions, we were also the highest procurer in many large transactions. Given our regulatory expertise and experience, we continued to be one of the preferred left lead bankers.

- FY20 was an unprecedented year in many ways for the M&A team. It started on a high note with the successful closure of Mindtree acquisition by L&T Ltd. in the first quarter, which was probably the most complex and talked about transaction for the year. The first half of FY20 saw significant activity but things slowed down considerably in the second half. One of the major themes for the year was the addressal of leverage issues, both at the Company level and the promoter level. Besides the L&T – Mindtree transaction, M&A and Advisory practice closed 3 more transactions during the year, notable among them being Quess Corp.'s acquisition of a majority stake in Allsec Technologies and sale of GMR Chhattisgarh Energy Limited to Adani Power Limited. We have ended the year with a healthy pipeline, though the ongoing transactions may face delays and some deal launches have had to be pushed out as the world deals with a highly uncertain environment due to Covid-19.

- During the year, we closed 3 Private Equity transactions. The transaction involves stake sale in HDFC AMC by KKR and stake sale by financial sponsors in Mahindra Logistics and IEX.

Institutional Equities

- FY20 ended the year with a black-swan event, even though it did not begin that way. However, the year was full of volatility. Whether it was worries of a split mandate which the electorate dispelled with a resounding majority for the ruling party or a poor budget that was fixed over several weeks culminating in a steep reduction in corporate taxes there were enough domestic reasons for the volatility. To top that major global factors ensured the year was eventful.

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- We ended the year with a 26% fall in Nifty from the beginning of the year while the market fell 38% from its highs to the lows. The FPI flows were a negative Rs 90,000 crs, more than 90% accounted in the last quarter (January to March 2020). Domestic institutions however invested a net sum of Rs 1,30,000crs during the year and were extremely aggressive in March 2020 pumping in Rs 55,600 crs in just that single month.

- This volatility was good for the business as the overall volumes went up 10%. While institutional volumes went up 10%, your Company's institutional volumes went up by 18% and given that our share of the low touch DMA business continues to be limited, our revenue market share jump would be in excess of 20%.

- While volumes moved up commission rates continued to fall – this time particularly in the FII segment due to the adoption of MIFID II rules by all the European and many of the global accounts. And institutions continue to move an ever greater part of their volumes through low touch low commission rate DMA. Axis Capital introduced the DMA service in December 2018 and we now have 6 domestic institutions that have taken up this offering. During FY19-20 the institutions continued paring down commission rates. Net commission yields on the institutional equities both for the market and for Axis Capital we estimate has fallen by about 12% and 10% respectively from the previous year.

- During the year we helped in the successful closure of 24 ECM transactions including IPOs, QIPs, IPPs, Right Issues, OFS' and Preferential Offers. In many of our ECM transactions we outsold competition.

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- In addition we have added nearly 600 marquee institutional accounts and sub-accounts during the year and they would help us garner greater volumes and revenues next year.

- During the year we had beefed up our research team with the induction of three senior lead analysts covering auto and auto components, banking and financial services and engineering, capital goods, construction and utilities sectors. With these additions, our research strength is at an optimum level.

- During FY-2019-20, we had provided our institutional clients in India and globally with access to more than 250 corporates. Apart from that we had offered corporate access through our marquee Annual Institutional Investor Conference, our Banking and Financial Tech Conference and Auto Sector Conference. In addition we had offered specialized access to all the listed companies in the Murugappa group to investors in Singapore and Mumbai

- Our USA subsidiary received FINRA permission in May 2019 and that helped us host more activities in the USA.

- As a part of One Axis, we worked with Axis Banks DCM team to take IRFC on a US road-show for its Bond Offering, introduced corporations for cross selling and took the Bank's help in arranging corporate access to our institutional clients in India.

- Regulatory: Our IE business in India and our USA subsidiary were inspected by their relevant regulators and we were found to be fully compliant with all applicable laws, rules and regulations

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DIVIDEND

At the Board Meeting held on January 16, 2020, the Board had recommended and paid interim dividend of Rs.1.25 per share. Further, considering the performance of the Company for the financial year 2019-20, .the Board of Directors had recommended an additional final Dividend at the rate of Rs.6/- (previous year Rs.4.50) per equity share of Rs. 10/- each, absorbing a sum of Rs.441,000,000(previous year Rs. 330,750,000) towards dividend amount and `Rs. Nil/-(previous year Rs.67,986,635) 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 2019-20 in addition to the Interim Dividend of Rs.1.25 per share declared and paid during FY 2019-20.

SUBSIDIARIES:

As on March 31, 2020, the Company has one subsidiary set up in the United States of America viz. Axis Capital USA LLC. The Subsidiary Company is registered as Broker Dealer after obtaining all the requisite Regulatory approvals. The salient features of the financial statement of Subsidiary Company for the year ended 31stMarch, 2020, 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.

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MATERIAL CHANGE AND COMMITMENT

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as provided under sub- section (3) of Section – 92 of the Companies Act, 2013 in Form - MGT 9 is enclosed herewith as Annexure 'B'. Copy of the Annual Return is also placed on the website of the Company at www.axiscapital.co.in

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

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

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

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

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

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

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

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

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

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

DIRECTORS

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

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

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

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During the year under review, there were no changes to the constitution of Board of Directors of the Company:

Mr. Salil Pitale (DIN: 07824218) and Mr. Chirag Negandhi (DIN: 06988113) Directors, retire by rotation and being eligible offer themselves for re-election.

The term of Prof Samir Barua (DIN: 00211077) and Mr. Bahram Vakil (DIN: 00283980), as Independent Directors for a period of 5 years will expire on 23.06.2020. Pursuant to recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 13, 2019, has formed an Opinion that Prof Samir Barua (DIN: 00211077) and Mr. Bahram Vakil (DIN: 00283980) are individually persons of integrity and possess relevant expertise and experience to be re-appointed as Independent Directors. Further, they do not have any pecuniary relationship with the Company, its holding company, subsidiary and associate company.

The Company has also received requisite notices from the Member of the Company in compliance with the provisions of Section 160 of the Companies Act, 2013, proposing Re-Appointment of Prof Samir Barua (DIN: 00211077) and Mr. Bahram Vakil (DIN: 00283980) as the Independent Directors of the Company.

The Company has received declarations from both the said Independent Directors of the Company confirming that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

PARTICULARS OF MEETINGS

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

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Sr. No.	Type of Meeting	Number of meetings held
1.	Board Meeting	5
2.	Audit Committee Meeting	4
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.

KEY MANAGERIAL PERSONNEL

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

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

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

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

COMMITTEES

i. AUDIT COMMITTEE

The Audit Committee consists of five Directors namely Mr. Samir Barua, Mr. Bahram Vakil, Ms. Sutapa Banerjee, Mr. Rajeev Anand and Mr. Salil Pitale. The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.

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ii. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of Mr. Samir Barua, Mr. Bahram Vakil, Mr. Rajeev Anand and Mr. Salil Pitale.

iii. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of Mr. Samir Barua, Mr. Bahram Vakil, Mr. Rajeev Anand, Mr. Salil Pitale and Mr. Chirag Negandhi.

iv. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of Mr. Bahram Vakil, Mr. Rajeev Anand, Mr. Salil Pitale and Mr. Chirag Negandhi.

SHARE CAPITAL:

During the year, there was no change in the Authorized, Issued, Subscribed and Paid – Up Share Capital of the Company. There has been no change in the issued and paid up capital after March 31, 2020 till the date of this report.

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.

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PARTICULARS OFCONSERVATION 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. 4,84,16,004. The Company had incurred total expenditure in Foreign Exchange of Rs.6,48,07,904. The capital contribution in Company's Foreign Subsidiary Company viz. Axis Capital USA LLC is USD 705,000 as of March 31, 2020.

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

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financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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The Company has contributed Rs. 3.22 Crores (being 2 percent of the average net profit of the Company in the immediately three preceding financial years calculated as per Section 198 of the Act) towards CSR expenditure in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are in accordance with Schedule VII of the Companies Act, 2013. The details of Projects undertaken are attached herewith as Annexure 'D' and forms part of this Report.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time. The policy shall apply to all Directors (Executive and Non -Executive), Key Managerial Personnel and Senior

Management. The Policy laid down the roles of the Committee, criterion for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The details whereof are attached herewith as Annexure 'E'.

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

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hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

DIRECTORS RESPONSIBILITIES STATEMENT

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

i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.

   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 2020.

ii. 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.

iii. The annual accounts of the Company have been prepared on a going concern basis.

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

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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, 2020 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 requirements of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report as received from M/s. Sandeep V. Walawalkar & Associates, Company Secretaries in Practice, is appended as Annexure 'F' to this Report.

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. M/s. Khimji & Khuverji, Chartered Accountants, (FRN: 104674W) to undertake the Internal Audit of the Company for the financial year under review.

MAINTENANCE OF COST RECORDS

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

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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 did not receive any complaint of sexual harassment.

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

FUTURE OUTLOOK

While it will take some time for the ECM activity to pick up due to ongoing uncertainty and fear sparked off in financial markets by coronavirus, the current situation may also provide an opportunity for companies with stronger balance sheets to look for suitable targets and consolidate their market position. Further,

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stress cases coupled with attractive valuations in many sectors may result in enhanced M&A activity. The current situation will also open up an opportunity for private equity and structured finance transactions. In this uncertain environment, wherein public market may not be accessible, the companies may turn towards PE funding and structure finance.

Private Equity is likely to have an interesting year and hence provide differentiated opportunities for banking this coming year. On one hand, portfolio companies will face near-term stress driven by the impact of Coronavirus on the global economy but on the other, several PE firms with dry powder will be aggressive in acquiring stakes in the public and private markets. The stress in portfolio companies can, over time, create both debt opportunities for the bank and M&A / exit opportunities for Axis Capital. Overall, existing deal flow activity is going to slow down for the next few months but new deal flow can become active both in private and public markets, especially in sectors like Pharma, Chemicals, FMCG and to some extent, Financial Services.

The overall slowdown in the economy will provide interesting opportunities for the Structured Finance practice, with traditional sources of funding drying up for the corporates. New innovative structures are likely to be devised and we expect heightened participation from foreign institutional players. Acquisition funding can be another major area of focus where large corporates are looking at acquiring stressed assets.

We have just witnessed a black-swan event in the form of CoVID-19 virus that has laid low the entire globe. It is too early to predict the fall-out of such an event. The past events (the Dotcom bust in 2000 and the GFC in 2008) give us hope that the Institutional Equities business of your Company is resilient enough to come out of

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these events stronger than before. We are confident, with the full support of the parent Bank, we will add more clients and improve our volume and revenue market share going forward. Having said that the past experience in the above mentioned Dotcom bust in 2000 and the GFC in 2008 indicate that volumes and revenues are likely to first take a hit before recovering and FY20-21 is likely to see a drop in volumes, at least for the first couple of quarters

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

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CHAIRMAN/ CHAIRPERSON

DIN: 00531120

Place: Mumbai

Date: May 15, 2020

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Annexure 'A'
Form AOC-I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule5 of Companies (Accounts) Rules, 2014)

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

Part "A": Subsidiaries*

Sr. No.	Particulars	Particulars
1	Name of the subsidiary	Axis Capital USA LLC
2	The date since when subsidiary was acquired	02/08/2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD
5	Share capital	7,05,000
6	Reserves and Surplus	(1,77,574)
7	Total Assets	5,50,948
8	Total Liabilities	5,50,948
9	Investments	4,62,741
10	Turnover	2,03,213
11	Profit before taxation	(7,083)
12	Provision for taxation	-
13	Profit after taxation	(7,083)
14	Proposed Dividend	-
15	% of shareholding	100%

**provisional figures based on unaudited financials*

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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

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AMITABH CHAUDHRY

CHAIRMAN

DIN: 00531120

Place: Mumbai

Date: May 15, 2020

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Annexure 'B'

Extract of Annual return

Form MGT - 9

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As on the financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Merchant Banking	67110	48%
2	Stock Broking	67120	41%
3	Mutual Fund Advisory and Treasury	67190	11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Axis Bank Limited	L65110GJ1993PLC020769	Holding	100*	Section 2(46)

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	Add: 8th Floor, Axis House =, C-2 Wadia International Center, P. B. Marg, Worli, Mumbai – 400 025				
2	Axis Capital USA LLC Add: Axis Capital USA LLC, 380 Lexington Avenue - 17th Floor, New York, NY 10168	File No. 6499349	Subsidiary	100	Section 2(87)

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

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

i) Category-wise Share Holding

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

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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) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
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 uptoRs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				
Grand Total (A+B+C)	**73500000**				**73500000**				**NIL**

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

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

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ii) Shareholding of Promoters

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

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

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

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

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

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

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

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v)Shareholding of Directors and Key Managerial Personnel:

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

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	19,54,42,812.49			
Total (i+ii+iii)	19,54,42,812.49			
Change in Indebtedness during the financial year **Addition** Reduction	19,54,42,812.49			
Net Change	19,54,42,812.49			
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-			
Total (i+ii+iii)	-			

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs. In Lacs)
		Salil Pitale	Chirag Negandhi		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	201.73	200.50		402.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
5	Others, please specify Variable Incentives	31.30 133.00	36.23 133.00		67.53 266.00
	Total (A)	366.03	369.73		**735.76**
	Ceiling as per the Act ***10% of the net profit calculated as per Section 198**				1059.93

B. Remuneration to other directors:

S. no.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Prof Samir Barua	Mr. Bahram Vakil	Ms. Sutapa Banerjee		
	1. Independent Directors Fee for attending board / committee meetings Commission Others, please specify	600,000	650,000	500,000		1,750,000
	Total (1)					
	2. Other Non-Executive Directors Fee for attending board /	**NONE**				**NIL**

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

S.no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (Rs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92.40	81.18	173.58
	(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 Variable – Deferred Variable 2018-19	 33.37 46.20	 8.12	 33.37 54.32
	Total	**171.97**	**89.30**	**261.27**

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

For and on Behalf of the Board of Directors

....

AMITABH CHAUDHRY

CHAIRMAN

DIN: 00531120

Place: Mumbai

Date: May 15, 2020

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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 transaction under third proviso thereto.

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. Axis Bank Limited (Holding Company) 2. Axis Securities Limited

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SL. No.	Particulars	Details
		(Fellow Subsidiary Company) 3. Axis Capital USA LLC (Subsidiary Company)
b)	Nature of contracts/arrangements/transaction	1 to 3. Availing and rendering services
c)	Duration of the contracts/arrangements/transaction	1. Continuous 2. Continuous 3. Continuous
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Kindly refer to the Financial Statements
e)	Date of approval by the Board	Quarterly
f)	Amount paid as advances, if any	NIL

For and on Behalf of the Board of Directors

....

AMITABH CHAUDHRY

CHAIRMAN

DIN: 00531120

Place: Mumbai

Date: May 15, 2020

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ANNEXURE 'D'

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

2. The Composition of the CSR Committee. Mr. Bahram Vakil (Chairman), Mr. Rajeev Anand (Executive Director, Axis Bank), Mr. Salil Pitale (Joint Managing Director & Co-CEO) and Mr. Chirag Negandhi (Joint Managing Director & Co-CEO).

3. Average net profit of the Company for last three financial years: INR. 160.77 Crores.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – 3.22 Crores.

5. Details of CSR spent during the financial year.

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(a) Total amount to be spent for the financial year (2019-20); INR. 3.22 Crores /-

(b) Amount unspent, if any; INR. Nil.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs Subheads : (1) Direct expenditure on projects or programs. (2) Overheads :**	**Cumulative expenditure upto to the reporting period.**	**Amount spent: Direct or through implementing agency**
1.	Social Welfare Programs of Axis Bank Foundation *	Sustainable Livelihood	Local Area	Rs. 3.22 Crores	1.Rs. 3.22 Crores 2. Over Heads: Rs. 3.22 Crores	Rs. 3.22 Crores	Rs. 3.22 Crores
	TOTAL						**Rs. 3.22 Crores**

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

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

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

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

.... **SALIL PITALE** **JT. MD & Co-CEO** **DIN:**	.... **CHIRAG NEGANDHI** **JT. MD & Co-CEO** **DIN:**	.... **BAHRAM VAKIL** **CHAIRMAN CSR COMMITTEE** **DIN:**

Place: Mumbai
Date: 15th May 2020

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ANNEXURE 'E'

NOMINATION & REMUNERATION POLICY

INTRODUCTION

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

CONSTITUTION OF COMMITTEE

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

OBJECTIVE

The Nomination and Remuneration/Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along

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with the applicable rules thereto and Clause 49 under the Listing Agreement and Guidelines of Reserve Bank of India. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

1.3. Formulation of criteria for evaluation of Independent Director and the Board.

1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

1.8. To develop a succession plan for the Board and to regularly review the plan.

1.9. To assist the Board in fulfilling responsibilities.

1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

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APPLICABILITY

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

DEFINITIONS

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

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

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

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

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

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

1. Appointment Criteria and Qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise andexperience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

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

2. Term / Tenure

   a) Managing Director/Whole-time Director:

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

   b) Independent Director:

Axis Capital Limited

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

3. <u>Evaluation</u>

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

4. <u>Removal</u>

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

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5. Retirement

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

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

2. Remuneration to Non- Executive / Independent Director:

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

DUTIES IN RELATION TO NOMINATION MATTERS

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

Axis Capital Limited

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

DUTIES IN RELATION TO REMUNERATION MATTERS

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

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

REVIEW AND AMENDMENT

i. The NRC or the Board may review the Policy as and when it deems necessary.

ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

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ANNEXURE 'F'

SECRETARIAL AUDIT REPORT

AXIS CAPITAL LIMITED

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SANDEEP V. WALAWALKAR & ASSOCIATES
Company Secretaries

To,

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

Our Secretarial Audit Report of even date, for the financial year 2019-20 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

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

SANDEEP
VASANT
WALAWALKAR

Sandeep V. Walawalkar
Proprietor
FCS-9646, C.P. No. 16135
UDIN- F009646B000226390

Date- 11th May, 2020
Place: Mumbai

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Capital Limited** (hereinafter called 'the Company') for the year ended on 31st March, 2020 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Applicable only to the extent of Overseas Direct Investment for this financial year].**

Contd.

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

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **[Not Applicable during the financial year under review]**;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review]**;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review]**;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review]**;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review]**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable as the Company is not listed on any stock exchange(s) during the financial year under review]**;

(vi) The management has identified and confirmed the following laws as specifically applicable to the Company:

(a) SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended;
(b) SEBI (Merchant Bankers) Regulations, 1992, as amended;
(c) Indian Stamp Act, 1899 and the State Stamp Acts, as amended

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

Contd.

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

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that –

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

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

SANDEEP
VASANT
WALAWALKAR

Digitally signed by SANDEEP VASANT WALAWALKAR

Sandeep V. Walawalkar
Proprietor
FCS-9646, C.P. No. 16135
UDIN- F009646B000226390

Date- 11th May, 2020
Place: Mumbai

Financial Statements
for the year ended 31 March 2020

AXIS CAPITAL LIMITED

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Capital Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Axis Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2018 and March 31, 2019 dated April 13, 2018 and April 11, 2019 respectively expressed an unmodified opinion on those Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 23 on Contingent Liabilities to the Ind AS financial statements;

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(ii) The Company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

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

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 20118970AAAACC1462

Place: Mumbai
Date: May 15, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Axis Capital Limited on the Ind AS Financial Statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that

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

(b) The Company has a program of physical verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Therefore, clause 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company's stock-in trade comprises of securities, which is held in dematerialised form. Securities held as stock-in-trade by the custodian are verified with the confirmation statement received from them on a regular basis during the year. In our opinion, the frequency of these verifications are reasonable. The Company is maintaining proper records of securities held as stock-in-trade and no material discrepancies were noticed on comparing the statement from custodian with book records.

(iii) 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, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, 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. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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 regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and service tax (GST) and any other material statutory dues applicable to it, except that the delays in deposit have not been serious. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, income tax, goods and service tax and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

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(b) The dues outstanding with respect to income tax, municipal tax and service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in lakhs	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax and Interest	185.55	A.Y. 2010 - 2011	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax and Interest	572.62	A.Y. 2012 - 2013	Assistant Commissioner of Income Tax
Income tax Act, 1961	Income Tax and Interest	1.98	A.Y. 2014 - 2015	Assistant Commissioner of Income Tax
Income tax Act, 1961	Income Tax and Interest	109.97	A.Y. 2018 - 2019	Commissioner of Income Tax (Appeals)
Municipal Corporation Act, 1888	Tax and Interest	63.06	April 2001 to September 2012	Supreme Court
Finance Act, 1994	Service Tax and Penalty	2058.82	July 2012 to September 2014	Customs Excise and Service tax Appellate Tribunal

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to bank. Further, the Company does not have any dues payable to financial institutions, governments or debenture holders.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 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) 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, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

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

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(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) 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

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 20118970AAAACC1462

Place: Mumbai
Date: May 15, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Axis Capital Limited on the Ind AS Financial Statements for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to financial statements of Axis Capital Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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

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Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 20118970AAAACC1462

Place: Mumbai
Date: May 15, 2020

AXIS CAPITAL LIMITED

BALANCE SHEET AS AT 31 MARCH 2020

(₹ in lakhs)

	Note No.	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
ASSETS				
FINANCIAL ASSETS				
Cash and cash equivalents	3	5,740.15	335.15	5,260.66
Bank Balance other than cash & cash equivalents	4	19,419.02	23,869.61	31,580.32
Receivable				
(i) Trade receivables	5	88,921.37	36,063.00	86,748.45
(ii) Other receivables	5A	-	-	94.70
Loans	6	-	3.95	5.06
Investments	7	12,016.68	12,325.88	10,335.53
Other financial assets	8	10,194.50	488.92	472.07
Total financial assets (A)		1,36,291.72	73,086.51	1,34,496.79
NON-FINANCIAL ASSETS				
Inventories	9	-	-	-
Current tax assets (net)	10	595.28	1,095.51	968.85
Deferred tax assets (net)	33	24.40	46.06	30.32
Property, plant and equipment	11	184.76	227.38	79.83
Intangible assets under development	12	15.96	26.73	9.74
Other intangible assets	13	97.06	24.91	28.50
Other non-financial assets	14	144.66	153.36	137.37
Total non-financial assets (B)		1,062.12	1,573.95	1,254.61
Total Assets (A+B)		**1,37,353.84**	**74,660.46**	**1,35,751.40**
LIABILITIES AND EQUITY				
LIABILITIES				
FINANCIAL LIABILITIES				
Payables				
Trade payables	15			
Due to micro and small enterprises		17.01	11.93	-
Due to others		92,809.35	32,671.05	82,426.24
Other payables	16	2.16	1.08	28.53
Borrowings	17	96.35	2,098.37	-
Other financial liabilities	18	9.81	15.44	5.61
Total financial liabilities (A)		92,934.68	34,797.87	82,460.38
NON-FINANCIAL LIABILITIES				
Current tax liabilities (net)	19	416.14	98.26	211.31
Provisions	20	3,200.93	4,082.16	8,059.06
Other non-financial liabilities	21	1,005.51	884.99	2,279.96
Total non-financial liabilities (B)		4,622.58	5,065.41	10,550.33
EQUITY				
Equity share capital	22	7,350.00	7,350.00	7,350.00
Other equity	23	32,446.58	27,447.18	35,390.69
Total Equity (C)		39,796.58	34,797.18	42,740.69
Total liabilities and equity (A+B+C)		**1,37,353.84**	**74,660.46**	**1,35,751.40**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

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

Purushottam Nyati
Partner
Membership No.:-118970

Place: Mumbai
Date: 15 May 2020

For and on behalf of the Board of Directors

Amitabh Chaudhry
Chairman
DIN No. :- 0531120

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

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

Neelesh Baheti
Chief Financial Officer

M. Natarajan
Company Secretary

Place: Mumbai

Date: 15 May 2020

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

AXIS CAPITAL LIMITED MUMBAI

AXIS CAPITAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operation			
(a) Fees from advisory services and other professional services	24	12,981.95	10,418.70
(b) Brokerage Income	24	11,077.10	10,858.79
(c) Other Operating Income	24	9.65	229.92
Total Revenue from Operations (A)		24,068.70	21,507.41
Other income (B)	25	2,974.62	2,712.31
Total Income (A+B) (1)		27,043.32	24,219.72
Finance costs	26	57.66	46.31
Impairment of financial instruments	27	64.36	43.51
Employee benefit expense	28	11,614.79	8,072.60
Depreciation and amortization	29	122.26	75.69
Other expenses	30	5,058.29	6,635.98
Total Expenses (2)		16,917.36	14,874.09
Profit/(loss) before tax (3)= (1-2)		10,125.96	9,345.63
Tax expenses:			
Current tax		3,526.00	3,407.00
Short / (Excess) provision for tax of earlier years		(77.13)	(173.74)
Deferred Tax		21.66	(15.74)
Total tax expense (4)	32	3,470.53	3,217.52
Profit/(loss) for the year (5) = (3-4)		**6,655.43**	**6,128.11**
Other comprehensive income			
Items not to be reclassified in profit and loss			
Fair value of gratuity through other comprehensive income (net of tax)		36.14	105.69
Other comprehensive income (6)		***36.14***	***105.69***
Total comprehensive income for the year (7)= (5+6)		**6,691.57**	**6,233.80**
Earning per equity share:			
[Nominal value per share ₹10 (31 March 2019: ₹10)]			
Basic (₹)		9.06	8.34
Diluted (₹)		9.06	8.34
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

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

Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 15 May 2020

For and on behalf of the Board of Directors

Amitabh Chaudhry
Chairman
DIN No. :- 0531120

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

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

Neelesh Baheti
Chief Financial Officer
Place: Mumbai

M. Natarajan
Company Secretary
Date: 15 May 2020

AXIS CAPITAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A) Cash flows from operating activities		
Profit/(loss) before taxes	10,162.12	9,451.31
Non cash & non operating adjustments:		
Net gain on fair value instruments at fair value through profit or loss	(531.54)	(514.04)
Interest income on deposit with banks	(2,092.60)	(2,052.66)
Interest income on staff loan and deposits	(1.08)	(1.31)
Interest on overdraft	47.29	41.83
Interest on lease payment	10.37	4.48
Reversal of liability no longer required	(329.71)	(98.26)
Depreciation and amortisation	122.26	75.69
Unrealised foreign exchange (gain)/loss	(7.28)	(7.05)
Provision for contingent liabilities	-	14.06
Provision for bad and doubtful debts	101.45	104.83
Bad debts and sundry balances written off	0.05	170.56
Reversal of provision of doubtful debts	(37.14)	(231.88)
Bad advances written off	-	2.63
Reversal of provision for doubtful advances	-	(2.63)
Fair valuation of share based payments to employees	3,402.79	-
Loss on fair value of deposits	-	4.07
Loss / (profit) on sale of fixed assets	-	(2.25)
Operating profit/(loss) before working capital changes	**10,846.98**	**6,959.38**
Movement in working capital:		
Decrease / (increase) in trade receivables	(52,902.74)	50,647.46
Decrease / (increase) in other receivables	-	94.70
Decrease / (increase) in loans	4.00	1.27
Decrease / (increase) in other financial assets	(9,704.55)	(18.22)
Decrease / (increase) in other non-financial assets	8.70	(16.00)
Increase / (decrease) in trade payables	*60,456.43*	*(49,650.56)*
Increase / (decrease) in Others financial liabilities	(5.63)	9.83
Increase / (decrease) in provisions	(864.57)	(3,985.39)
Increase / (decrease) in others non-financial liabilities	120.52	(1,394.97)
Cash generated from operations	**7,959.14**	**2,647.51**
Direct taxes paid (net of refund)	(2,643.49)	(3,472.98)
Net cash from operating activities	**5,315.65**	**(825.47)**
B) Cash flow from investing activities		
Purchase of fixed assets including intangible assets under development	(139.93)	(105.65)
Proceeds from sale of fixed assets	-	2.25
Purchase of investments	(1,41,728.62)	(1,38,994.00)
Sale of investments	1,42,569.36	1,38,013.59
Investment in subsidiary	-	(495.88)
Investment in bank fixed deposit	(41,021.20)	(20,469.40)
Redemption of bank fixed deposit	45,616.20	28,108.75
Interest received	1,948.18	2,124.01
Net cash used in investing activities	***7,243.99***	***8,183.67***
C) Cash flows from financing activities		
Equity dividend paid	(4,226.25)	(11,760.00)
Tax on equity dividend paid	(868.72)	(2,417.30)
Interest on lease payment	(10.37)	(4.48)
Lease liability	(47.58)	(14.52)
Interest on overdraft paid	(47.29)	(41.83)
Proceeds from / (repayment of) short term borrowings	(1,954.43)	1,954.43
Net cash used in financing activities	**(7,154.64)**	**(12,283.70)**
Net increase in cash and cash equivalents (A+B+C)	**5,405.00**	**(4,925.50)**
Cash and cash equivalents at the beginning of the year	335.15	5,260.65
Cash and cash equivalents at the end of the year	**5,740.15**	**335.15**
Components of cash and cash equivalents		
Cash in hand	0.70	0.41
Balances with banks:		
-On current accounts	5,739.45	334.74
Total	**5,740.15**	**335.15**

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 - Cash Flow Statement.

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

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

Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 15 May 2020

For and on behalf of the Board of Directors

Amitabh Chaudhry
Chairman
DIN No. :- 0531120

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

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

Neelesh Baheti
Chief Financial Officer

M. Natarajan
Company Secretary

Place: Mumbai

Date: 15 May 2020

AXIS CAPITAL LIMITED

Statement of Changes In Equity

A. Equity share capital

(₹ in lakhs)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Equity shares of ₹10 each fully paid up			
As on 01 April 2018	7,350.00	-	7,350.00
As on 31 March 2019	7,350.00	-	7,350.00
As on 31 March 2020	7,350.00	-	7,350.00

B. Other equity

(₹ in lakhs)

Particulars	Reserves & Surplus			Total
	General Reserve	Retained earnings	Contribution from Shareholders	
Opening balance as on 01 April,2018	**1,292.37**	**34,098.32**	-	**35,390.69**
Total Comprehensive Income for the year	-	6,128.10	-	6,128.10
Remeasurement gains on employee benefits	-	105.69	-	105.69
Dividend paid	-	(11,760.00)	-	(11,760.00)
Dividend Distribution Tax	-	(2,417.30)	-	(2,417.30)
Changes during the year	-	**(7,943.51)**	-	**(7,943.51)**
Closing balance as on 31 March 2019	**1,292.37**	**26,155.81**	-	**27,447.18**
Opening balance as on 31 March 2019	**1,292.37**	**26,155.81**	-	**27,447.18**
Total Comprehensive Income for the year	-	6,655.44	-	6,655.44
Remeasurement gains on employee benefits	-	36.14	-	36.14
Dividend paid	-	(4,226.25)	-	(4,226.25)
Dividend Distribution Tax	-	(868.72)	-	(868.72)
Share based payments to employees - contribution	-	-	3,402.79	3,402.79
Changes during the year	-	**1,596.61**	**3,402.79**	**4,999.40**
Closing balance as on 31 March 2020	**1,292.37**	**27,752.42**	**3,402.79**	**32,446.58**

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

AXIS CAPITAL LIMITED MUMBAI

AXIS CAPITAL LIMITED

Notes to financial statements for the year ended March 31, 2020

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

A. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The Company has adopted Ind AS from April 1, 2019 with effective transition date of April 1, 2018 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018 and the comparative previous year has been restated / reclassified. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the balance sheet, statement of profit and loss and cash flow statement are provided in Note 51.
The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS balance sheet as at April 1, 2018 being the 'date of transition to Ind AS'.

These financial statements are approved for issue by the Board of Directors on 15 May, 2020.

B. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of Measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

i.Financial instruments – measured at fair value

ii. Defined benefit plans-plan assets measured at fair value

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AXIS CAPITAL LIMITED ★ MUMBAI

D. Use of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

a. Revenue

Recognition of revenue over time or at a point in time: The Company recognises revenue from Issue management and financial advisory services at a point in time based on milestones as per the agreement with the client except underwriting commission which for which performance obligation is satisfied over a period of time.

b. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support and supported by independent assessment by professionals.

c. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 39.

d. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

e. Recognition and measurement of provisions and contingencies

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

f. Fair value of financial instruments

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

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AXIS CAPITAL LIMITED MUMBAI

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 49 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

g. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECLs at each reporting date.

h. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

E. Standards issued but not effective:

a. The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020:

i. Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

b. Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

i. Ind AS 103 – Business Combination

ii. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

iii. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

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AXIS CAPITAL LIMITED ★ MUMBAI

F. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a. Property, Plant and Equipment

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

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

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.

b. 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	2 - 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.

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

AXIS CAPITAL LIMITED MUMBAI

Transition date:
The entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

c. 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.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

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

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

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

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

	Rates (SLM)
Computer software	20%

d. 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.

Transition date:
The entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

AXIS CAPITAL LIMITED MUMBAI

e. Revenue recognition

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

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

Brokerage -

i. 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.

ii. Gains/losses on dealing in securities are recognized on a trade date basis.

Investment Banking

i. Revenue from issue management and financial advisory services is recognized based on the stage of completion of performance obligations and terms of agreement with the client.

ii. Revenue from underwriting commission is recognised over a period of satisfaction of performance obligation.

iii. 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 -

i. Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under impairment stages 1 and 2 as against on amortised cost for the assets falling under impairment stage 3.

ii. Dividend income is recognized when the Company's right to receive dividend has been established by the reporting date.

f. Inventories

Securities acquired with the intention of short-term holding and trading are classified as inventories. The securities held as inventories 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.

g. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

h. Leases

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

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

AXIS CAPITAL LIMITED MUMBAI

As a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property amd hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of real estate properties that are having non-cancellable lease term of less than 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

AXIS CAPITAL MUMBAI LIMITED

The company has applied Ind AS 116 using the retrospective approach and therefore the comparative information has been restated.

Due to this amendment, the right-of-use asset is recognised since the commencement of the lease, but discounted using the lessee's incremental borrowing rate on the date of transaction. Accordingly, a right-of-use asset of Rs. 158.45 lakhs and a corresponding lease liability of Rs.158.45 lakhs has been recognized on the date of transaction. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

i. Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to the fair value on initial recognition.

Financial Assets

The financial assets are accounted on Trade date basis.

For subsequent recognition, financial assets are categorised into

i. **Amortised Cost:**

The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

ii. **Fair value through Other Comprehensive Income (FVOCI):**

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

iii. **Fair Value through Profit and Loss Account (FVTPL)**

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, change in fair value are recognised in profit or loss.

Profit and loss on sale of investment is determined on the basis of weighted average cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a. the Company has transferred substantially all the risks and rewards of the asset, or

b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Based on the Company's business model for managing the investments, the Company has classified its investments in mutu
amount approximates the fair value due to short maturity of these instruments.

Financial Liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent Measurement

This is dependent upon the classification thereof as under:

(i) At Amortised Cost

(ii) At Fair value through Profit & loss Account

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Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

j. Impairment of Financial Asset:

The company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortized cost
- Financial guarantee contracts.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables.

For recognition of impairment loss on other financial assets and risk exposures, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

k. 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.

Defined benefit plans

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Long Term Employee Benefits

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.

l. Share based payments

Employees Stock Options Plans ("ESOPs") - Equity settled

The Trust in consultantion with the holding Company grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

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The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

m. 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 temporary 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 temporary timing differences. Deferred tax assets are recognized for deductible temporary 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.

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.

n. 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/attributable 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 recognized as an expense to the Statement of Profit and Loss in the period in which they are incurred.

o. 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.

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(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.

(iii) Exchange differences

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

p. 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.

q. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Joint Managing Directors and CEO of the Company assesses the financial performance and position of the Company and make strategic decisions and hence has been identified as being chief operating decision maker.

r. 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.

s. Contingent liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. 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.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

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Notes to financial statements for the year ended March 31, 2020

t. 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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Notes to financial statements for the year ended 31 March , 2020

3. Cash and bank balances

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 1 April 2018 (₹ in lakhs)
Cash and cash equivalents			
-Cash on hand	0.70	0.41	0.56
Balances with banks:			
-On current accounts	5,739.45	334.74	5,260.10
Total	**5,740.15**	**335.15**	**5,260.66**

4. Bank Balance other than cash & cash equivalents

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Fixed deposits with original maturity of more than 12 months			
Lien marked deposits (The period of lien is in line with the period of fixed deposit)	18,067.96	22,366.26	31,433.65
Other Deposits	1,351.06	1,503.35	146.67
Total	**19,419.02**	**23,869.61**	**31,580.32**

5. Trade receivables

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Unsecured, considered *good*	*89,091.40*	*36,168.73*	*86,981.23*
Sub total	89,091.40	36,168.73	86,981.23
Less: Impairment loss allowance	(170.03)	(105.73)	(232.78)
Total	**88,921.37**	**36,063.00**	**86,748.45**

5A. Other receivables

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Unsecured, considered good	-	-	94.70
Sub total	-	-	94.70
Less: Impairment Allowance	-	-	-
Total	-	-	94.70

6. Loans

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Loans at Amortised Cost			
(A) Staff Loans	-	3.95	5.06
Sub total	-	**3.95**	**5.06**
Less: Impairment Loss	-		
Total (A)	-	**3.95**	**5.06**
(B) Unsecured	-	3.95	5.06
Sub total	-	**3.95**	**5.06**
Less: Impairment Loss	-	-	-
Total (B)	-	**3.95**	**5.06**
(C)			
(i) Loans in India			
Others	-	*3.95*	*5.06*
Sub total	-	3.95	5.06
Less: Impairment Loss	-		
Total (C)(i)	-	**3.95**	**5.06**
(ii) Loans outside India			
Others	-	-	-
Sub total	-	-	-
Less: Impairment Loss	-	-	-
Total (C)(ii)	-	-	-
Total (C)(i)+(ii)	-	**3.95**	**5.06**

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Notes to financial statements for the year ended 31 March, 2020

7. Investments

(₹ in lakhs)

Particulars	31 March 2020						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds							
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	2,562.58	-	2,562.58	-	2,562.58
HDFC Liquid Fund - Direct - Growth*	-	-	8,958.22	-	8,958.22	-	8,958.22
(ii) Subsidiary							
Equity Instruments	-	-	-	-	-	495.88	495.88
Total Gross (A)	-	-	**11,520.80**	-	**11,520.80**	**495.88**	**12,016.68**
(i) Investment outside India	-	-	-	-	-	495.88	495.88
(ii) Investment in India	-	-	11,520.80	-	11,520.80	-	11,520.80
Total (B)	-	-	**11,520.80**	-	**11,520.80**	**495.88**	**12,016.69**
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**11,520.80**	-	**11,520.80**	**495.88**	**12,016.68**

(₹ in lakhs)

Particulars	31 March 2019						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds							
Axis Overnight Fund – Direct – Growth	-	-	11,830.00	-	11,830.00	-	11,830.00
(ii) Subsidiary							
Equity Instruments	-	-	-	-	-	495.88	495.88
Total	-	-	**11,830.00**	-	**11,830.00**	**495.88**	**12,325.88**
(i) Investment outside India	-	-	-	-	-	495.88	495.88
(ii) Investment in India	-	-	11,830.00	-	11,830.00	-	11,830.00
Total (B)	-	-	**11,830.00**	-	**11,830.00**	**495.88**	**12,325.88**
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**11,830.00**	-	**11,830.00**	**495.88**	**12,325.88**

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Notes to financial statements for the year ended 31 March, 2020

7. Investments (contd.)

(₹ in lakhs)

Particulars	01 April 2018						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds							
Axis Liquid Fund - Direct - Growth	-	-	5,036.04	-	5,036.04	-	5,036.04
Axis short Term Fund – Direct - Growth*	-	-	1,038.04	-	1,038.04	-	1,038.04
Axis Banking & PSU Debt Fund – Direct - Growth*	-	-	4,261.45	-	4,261.45	-	4,261.45
(ii) Subsidiary							
Equity Instruments	-	-	-	-	-	-	-
Total Gross (A)	-	-	**10,335.53**	-	**10,335.53**	-	**10,335.53**
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment In India	-	-	10,335.53	-	10,335.53	-	10,335.53
Total (B)	-	-	**10,335.53**	-	**10,335.53**	-	**10,335.53**
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**10,935.53**	-	**10,335.53**	-	**10,335.53**

*pledged to Stock Exchange and Bankers amounting to ₹11,520.80 lakhs (31 March , 2019: ₹Nil) (01 April, 2018: ₹3,933.25 lakhs)

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Notes to financial statements for the year ended 31 March , 2020

8. Other financial assets

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Security/margin deposit			
-with stock exchanges	9,973.25	173.25	198.35
-others	21.55	25.14	13.87
Advance recoverable in cash			
-Recoverable from related parties	-	27.14	25.58
-Recoverable from others	192.54	251.50	192.20
Income receivable	7.16	11.89	44.70
Sub total	**10,194.50**	**488.92**	**474.70**
Less: Impairment loss allowance	-	-	(2.63)
Total	**10,194.50**	**488.92**	**472.07**

9. Inventories

	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	(No of Shares)	(₹ in lakhs)	(No of Shares)	(₹ in lakhs)	(No of Shares)	(₹ in lakhs)
Opening	-	-	-	-	50	0.02
Purchase	39,30,369	13,345.70	12,26,215	4,186.86	23,18,861	5,619.77
Sale (at cost)*	39,30,369	13,345.70	12,26,215	4,186.86	23,18,911	5,619.79
Closing	-	-	-	-	-	-
Total						

* Profit (net) of ₹6.49 lakhs [31 March 2019: Loss (net) of ₹4.84 lakhs and 31 March 2018: Loss (net) of ₹2.94) on sale of these shares has been disclosed under Note 24 "Revenue from operations" and Note 30 "Other expenses"]

10. Current tax assets (net)

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Advance income-tax [Net of provision of ₹22,621.53 lakhs (31 March 2019: ₹36,764.53 lakhs and 01 April 2018: ₹37,012.00 lakhs)]	595.28	1,095.51	968.85
Total	**595.28**	**1,095.51**	**968.85**

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Notes to financial statements for the year ended 31 March, 2020

11. Property, plant and equipment

(₹ in lakhs)

Particulars	Computers	Furniture	Vehicles	Office Equipment	Right to use	Total
Deemed cost as on 01 April, 2018	**69.38**	**1.18**	-	**9.26**	-	**79.83**
Additions during the year	51.85	-	-	3.55	158.45	213.85
Disposals during the year	-	-	-	-	-	-
At cost as on 31 March, 2019	**121.23**	**1.18**	-	**12.82**	**158.45**	**293.68**
Accumulated depreciation and impairment as on 31 March, 2018	-	-	-	-	-	-
Depreciation for the year	48.58	0.23	-	2.97	14.52	66.30
Disposals during the year	-	-	-	-	-	-
Accumulated depreciation and impairment as on 31 March, 2019	**48.58**	**0.23**	-	**2.97**	-	**66.30**
Net carrying amount as on 31 March , 2019	**72.65**	**0.96**	-	**9.85**	-	**227.38**
At cost as on 31 March, 2019	**121.23**	**1.18**	-	**12.82**	**158.45**	**293.68**
Additions during the year	54.02	-	-	4.74	-	58.76
Disposals during the year	-	-	-	-	-	-
At cost as on 31 March, 2020	**175.25**	**1.18**	-	**17.56**	**158.45**	**352.44**
Accumulated depreciation and impairment as on 31 March , 2019	**48.58**	**0.23**	-	**2.97**	**14.52**	**66.30**
Depreciation for the year	50.67	0.23	-	2.90	47.58	101.38
Disposals during the year	-	-	-	-	-	-
Accumulated depreciation and impairment as on 31 March , 2020	**99.25**	**0.46**	-	**5.87**	**62.10**	**167.68**
Net carrying amount as on 31 March, 2020	**76.00**	**0.73**	-	**11.69**	**96.35**	**184.76**
Net carrying amount as on 31 March , 2019	**72.65**	**0.96**	-	**9.85**	-	**227.38**
Net carrying amount as on 01 April , 2018	**69.38**	**1.18**	-	**9.26**	-	**79.83**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the property plant and equipment as on the date of transition (April 1, 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2018 under the previous GAAP

(₹ in lakhs)

Particulars	Computers	Furniture	Vehicles	Office Equipment	Total
Gross Block	384.77	2.66	0.13	38.36	425.93
Accumulated Depreciation	315.39	1.48	0.13	29.10	346.09
Net Block	**69.38**	**1.18**	-	**9.26**	**79.84**

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Notes to financial statements for the year ended 31 March, 2020

12. Intangible assets under development

(₹ in lakhs)

Particulars	Intangible assets under development
Deemed cost as on 01 April, 2018	**9.74**
Additions during the year	22.80
Capitalised during the year	5.81
At cost as on 31 March , 2019	**26.73**
At cost as on 31 March , 2019	**26.73**
Additions during the year	31.71
Capitalised during the year	42.48
At cost as on 31 March, 2020	**15.96**

13. Other Intangibles

(₹ in lakhs)

Particulars	Software	Website development cost	Total
Deemed cost as on 01 April, 2018	**28.50**	-	**28.50**
Additions during the year	-	5.81	5.81
Disposals during the year	-	-	-
At cost as on 31 March, 2019	**28.50**	**5.81**	**34.31**
Accumulated depreciation and impairment as on 31 March, 2018	-	-	-
Amortisation for the year	8.30	1.10	9.40
Disposals during the year	-	-	-
Accumulated depreciation and impairment as on 31 March, 2019	**8.30**	**1.10**	**9.40**
Net carrying amount as on 31 March , 2019	**20.20**	**4.71**	**24.91**
At cost as on 31 March, 2019	**28.50**	**5.81**	**34.31**
Additions during the year	93.03	-	93.03
Disposals during the year	-	-	-
At cost as on 31 March, 2020	**121.53**	**5.81**	**127.34**
Accumulated depreciation and impairment as on 31 March , 2019	**8.30**	**1.10**	**9.40**
Amortisation for the year	19.72	1.16	20.88
Disposals during the year	-	-	-
Accumulated depreciation and impairment as on 31 March , 2020	**28.02**	**2.26**	**30.28**
Net carrying amount as on 31 March, 2020	**93.51**	**3.54**	**97.06**
Net carrying amount as on 31 March , 2019	**20.20**	**4.71**	**24.91**
Net carrying amount as on 01 April , 2018	**28.50**	-	**28.50**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the intangible assets as on the date of transition (April 1, 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2018 under the previous GAAP.

(₹ in lakhs)

Particulars	Software	Website development cost	Total
Gross Block	41.50	-	41.50
Accumulated Depreciation	13.00	-	13.00
Net Block	**28.50**	-	**28.50**

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Notes to financial statements for the year ended 31 March , 2020

14. Other non-financial assets

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Deposit with service tax authorities paid under protest	76.25	76.25	-
Prepaid expenses	48.81	51.69	49.09
Gratuity Assets (funded)	-	9.35	-
Advance towards expenses	19.60	16.07	88.28
Total	**144.66**	**153.36**	**137.37**

15 .Trade Payables

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Trade payables			
-Due to micro and small enterprises	17.01	11.93	-
-Due to related parties	46.19	0.51	27.77
-Due to others	92,763.16	32,670.53	82,398.47
Total	**92,826.36**	**32,682.97**	**82,426.24**

16.Other Payables

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Capital Creditors	2.16	1.08	28.53
Total	**2.16**	**1.08**	**28.53**

17. Borrowings

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Bank overdraft (secured against fixed deposits)	-	1,954.43	-
Lease Liability	96.35	143.94	-
Total	**96.35**	**2,098.37**	**-**

18. Others financial liabilities

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Payable to Employees	9.81	15.44	5.61
Total	**9.81**	**15.44**	**5.61**

19. Current tax liabilities (net)

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Provision for tax [net of advance tax of ₹3,109.86 lakhs (31 March 2019: ₹3,308.74 and 01 April 2018: ₹7,247.21)]	416.14	98.26	211.31
Total	**416.14**	**98.26**	**211.31**

20. Provisions

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Provision for employee benefits			
Gratuity payable (funded)	8.06	-	235.51
Provision for compensated absences	20.14	7.61	10.50
Provision for bonus	3,133.67	4,002.16	7,754.72
	3,161.87	**4,009.77**	**8,000.73**
Other provisions			
Provision for litigation	39.06	72.39	58.33
	39.06	**72.39**	**58.33**
Total	**3,200.93**	**4,082.16**	**8,059.06**

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21. Others non-financial liabilities

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Others			
-Statutory dues	1,005.20	884.99	2,184.34
-Advance from customers	0.31	-	-
Income received in advance	-	-	95.62
Total	**1,005.51**	**884.99**	**2,279.96**

22. Share capital

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 01 April 2018 (₹ in lakhs)
Authorised share capital			
175,000,000 (31 March 2019: 175,000,000) (01 April 2018: 175,000,000) equity shares of ₹10/- each)	17,500.00	17,500.00	17,500.00
Issued share capital			
73,500,000 (31 March 2019: 73,500,000) (01 April 2018: 73,500,000)equity shares of ₹10/- each)	7,350.00	7,350.00	7,350.00
Subscribed and fully paid-up shares			
73,500,000 (31 March 2019: 73,500,000) (01 April 2018: 73,500,000)equity shares of ₹10/- each)	7,350.00	7,350.00	7,350.00

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

Equity shares

	31 March 2020		31 March 2019		01 April 2018	
	No.	(₹ in lakhs)	No.	(₹ in lakhs)	No. in lakhs	(₹ in lakhs)
At the beginning of the year	7,35,00,000	7,350.00	7,35,00,000	7,350.00	7,35,00,000	7,350.00
Issued during the year	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-
Outstanding at the end of the year	**7,35,00,000**	**7,350.00**	**7,35,00,000**	**7,350.00**	**7,35,00,000**	**7,350.00**

(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 period ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was ₹5.75 (including interim dividend of ₹1.25) (31 March 2019: ₹16/-).

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.

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(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 March 2020		31 March 2019		01 April 2018	
	No.	% of holding	No.	% of holding	No.	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2019: 73,500,000) (01 April 2018: 73,500,000)equity shares of ₹10/- each)	73,50,00,000	100%	73,50,00,000	100%	73,50,00,000	100%

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

Name of shareholder	31 March 2020		31 March 2019		01 April 2018	
	No.	% of holding	No.	% of holding	No.	% of holding
Axis Bank Limited, the holding Company and its nominees 73,500,000 (31 March 2019: 73,500,000) (01 April 2018: 73,500,000)equity shares of ₹10/- each)	7,35,00,000	100%	7,35,00,000	100%	7,35,00,000	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.

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Proposed dividend on equity shares for the year ended on 31 March 2020: ₹6 per share (31 March 2019: ₹4.50/- per share)	4,410.00	3,307.50
Dividend Distribution Tax on proposed dividend on equity shares	-	679.87
Total	**4,410.00**	**3,987.37**

23. Other equity

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)	As at 1 April 2018 (₹ in lakhs)
General Reserve			
Balance at the beginning of the year	1,292.37	1,292.37	1,292.37
Add: Addition during the year	-	-	-
Balance as at end of the year	**1,292.37**	**1,292.37**	**1,292.37**
Retained earnings			
Balance at the beginning of the year	26,154.81	34,098.32	32,467.00
Add: Comprehensive Income for the year	6,655.44	6,128.10	13,922.26
Add: Remeasurement gains on employee benefits	36.14	105.69	93.86
Less: Dividend paid	(4,226.25)	(11,760.00)	(10,290.00)
Less: Dividend Distribution Tax	(868.72)	(2,417.30)	(2,094.80)
Balance as at end of the year	**27,751.42**	**26,154.81**	**34,098.32**
Contribution from Shareholders			
Balance at the beginning of the year			
Add: Addition during the year	3,402.79	-	-
Balance as at end of the year	**3,402.79**	-	-
Total	**32,446.58**	**27,447.18**	**35,390.69**

Nature and purpose of the reserve

General Reserve

General Reserve was created earlier for specific purpose and are available for distribution to shareholders as dividend.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders as dividend.

Other Comprehensive Income

Other Comprehensive Income consists of income that will not be reclassified to Profit and Loss.

Contribution from Shareholders

Contribution from Shareholders represents fair value of the employee stock option plan. These options are issued by ABL Employee Welfare Trust ("the Trust") in consultation with Axis Bank Limited ("the Holding Company")

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Notes to financial statements for the year ended 31 March , 2020

24. Revenue from operations

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Fees from advisory services and other professional services	12,981.95	10,418.70
Brokerage income	11,077.10	10,858.79
Other operating income		
-Profit on sale of devolved securities/dealing error	6.67	-
-Interest Income on margin money funding	2.98	229.92
Total	***24,068.70***	***21,507.41***

25. Other income

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
(i) Interest income		
Interest on deposit with banks	2,092.60	2,052.66
Interest on staff loan and deposits	1.08	1.31
	2,093.68	2,053.97
(ii) Net gain/(loss) on fair value instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	531.54	514.04
Total gain/(loss) on fair value changes	531.54	514.04
Fair value changes:		
Realised	410.74	504.47
Unrealised	120.80	9.57
Total gain/(loss) on fair value changes	531.54	514.04
(iii) Miscellaneous Income		
Reversal of provision/liability no longer required	329.71	98.26
Profit on sale of fixed assets	-	2.25
Miscellaneous Income	11.98	13.96
Foreign exchange gain / (loss)	7.71	29.83
	349.40	144.30
Total	**2,974.62**	**2,712.31**

26. Finance costs

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Interest on overdraft	47.29	41.83
Interest on lease payment	10.37	4.48
Total	**57.66**	**46.31**

27. Impairment of financial instruments

		For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Trade Receivables		*64.36*	*43.51*
- Provision for bad and doubtful debts	101.45		
- Bad debts written off	0.05		
- Reversal of provision of doubtful debts	(37.14)		
Total		64.36	43.51

28. Employee benefits expense

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Salaries, wages and bonus	7,855.90	7,762.09
Contribution to provident and other funds	131.33	93.75
Share based payments to employees (Refer to Note No 45)	3,402.79	-
Gratuity expense (Refer to Note No 39)	54.32	96.34
Staff welfare expenses	170.45	120.42
Total	**11,614.79**	**8,072.60**

29. Depreciation and amortization expense

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Depreciation of tangible assets	101.38	66.30
Amortization of intangible assets	20.88	9.39
Total	**122.26**	**75.69**

30. Other expenses

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Stamp duty	277.08	334.43
Trade confirmation charges	504.58	467.30
Brokerage expenses	618.49	1,327.68
Stock exchange expenses	484.68	431.43
Printing and stationary*	22.38	76.91
Electricity & water charges	74.83	82.10
Rent	669.03	779.07
Repairs & maintenance - others	141.50	90.98
CSR expenditure (Refer to Note No 31)	321.55	379.10
Insurance	7.32	8.45
Rates and taxes	38.80	51.84
Professional fees*	529.34	1,257.67
Office expenses*	145.15	21.20
Deputation expenses	209.47	268.21
Telephone, fax & internet	57.73	83.17
Loss on sale of devolved securities/dealing error	-	13.06
Travelling & conveyance expenses	242.49	364.71
Director's sitting fees	17.50	14.50
Auditors remuneration:	-	-
- For audit	14.00	12.88
- For limited review	4.00	-
- Other	5.55	1.00
Loss on fair value of staff loans and deposits	-	4.07
Miscellaneous expenses	672.82	566.22
Total	**5,058.29**	**6,635.98**

*includes direct expenses pertaining to advisory services and other professional services amounting to ₹Nil (Previous Year: ₹680.02 lakhs).

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Notes to financial statements for the year ended 31 March, 2020

31 Details of CSR expenditure:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
a) Gross amount required to be spent by the Company during the year	321.55	379.09
b) Amount spent during the year	321.55	379.10
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	321.55	379.10

32 Income Tax Expense:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Current tax		
Current tax on profits for the year	3,526.00	3,407.00
Adjustments for current tax of prior years	(77.13)	(173.74)
Total Current Tax	**3,448.87**	**3,233.26**
Deferred tax expense (income)		
Increase in deferred tax assets (Refer Note 33)	21.66	(15.74)
Total deferred tax expense/(income)	**21.66**	**(15.74)**
Total tax expense	**3,470.53**	**3,217.52**

32.1 Reconciliation of effective tax rate:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Profit/(Loss) before tax expenses	10,125.96	9,345.63
Enacted income tax rate in India applicable to the Company 25.168% (FY 2018-2019 – 34.944%)	2,548.50	3,265.74
Tax effect of:		
Remeasurement of deferred tax due to change in rate	12.89	-
Capital gain on sale of shares	(4.12)	(3.87)
Remeasurement of gratuity through OCI	9.10	36.93
Other Non–deductible expenses	942.37	66.63
Interest Expense u/s 234B	22.60	-
Interest Expense u/s 234C	16.32	25.84
Tax in respect of earlier years	(77.13)	(173.74)
Total tax expense	**3,470.53**	**3,217.52**
Effective tax rate	34.27%	34.43%

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the profit and loss account. The remeasurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by 12.89 lakhs which has been fully charged to the statement of profit and Loss.

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Notes to financial statements for the year ended 31 March, 2020

33 Deferred Tax Asset (Net)

Component and Movement in Deferred Tax Assets (Net):

(₹ in lakhs)

Particulars	As at 31 March, 2019	Recognised in Profit and Loss Expense/ (Gain)	Recognised in OCI	As at 31 March, 2020
Provision for Impairment Loss	37.00	(5.80)	-	42.79
Related to Depreciation	12.83	6.15	-	6.68
Fair value adjustment of Financial Instruments	(3.34)	27.06	-	(30.40)
Impact on Revenue recognised under Ind AS 115	(4.16)	(4.16)	-	(0.00)
Valuation on interest free loans and deposits	1.05	0.79	-	0.26
Disallowance under section 43B of the Income Tax Act, 1961	2.68	(2.39)	-	5.07
Total	**46.06**	**21.66**	-	**24.40**

(₹ in lakhs)

Particulars	As at 01 April, 2018	Recognised in Profit and Loss Expense/ (Gain)	Recognised in OCI	As at 31 March, 2019
Provision for Impairment Loss	82.38	45.38	-	37.00
Related to Depreciation	13.44	0.60	-	12.83
Fair value adjustment of Financial Instruments	(87.47)	(84.13)	-	(3.34)
Impact on Revenue recognised under Ind AS 115	18.18	22.33	-	(4.16)
Valuation on interest free loans and deposits	0.08	(0.97)	-	1.05
Disallowance under section 43B of the Income Tax Act, 1961	3.72	1.04	-	2.68
Total	**30.32**	**(15.74)**	-	**46.06**

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Notes to financial statements for the year ended 31 March, 2020

34 Earnings per share

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Profit attributable to the equity holders of the company (A) (₹ in lakhs)	6,655.43	6,128.11
Weighted Average number of shares issued for Basic EPS (B)	735	735
Adjustment for calculation of Diluted EPS (c)	-	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	735	735
Basic EPS in ₹	9.06	8.34
Diluted EPS in ₹	9.06	8.34

35 Contingent liabilities & commitments

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Contingent Liabilities			
(A) Claims against the Company not acknowledged as debts*	25.00	25.00	25.00
(B) Tax Demands under litigations #			
For Service Tax	2,135.07	2,160.11	2,160.11
For Income Tax	3.13	15.64	112.83
For Property Tax	63.07	63.07	63.07
(C) Outstanding bank guarantee	-	-	5.00
Total Contingent Liabilities	**2,226.27**	**2,263.82**	**2,366.01**
Commitments			
(A) Capital commitments	29.94	7.01	5.67
Total Commitments	**29.94**	**7.01**	**5.67**

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

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

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Notes to financial statements for the year ended 31 March, 2020

36 A. Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Deputation expenses	209.47	254.90
Professional Fees	50.61	28.76
Travelling and conveyance	59.96	116.63
Trade Confirmation charges	168.33	170.03
Others	159.71	57.63

B. Earnings in foreign currency for the year ended 31 March , 2020: Rs. 484.16 lakhs (31 March, 2019: Rs. Rs.3024.31 lakhs) from advisory services and other professional service

37 Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

38 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

As at 31 March ,2020

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	1.33	100.60
Bank Balances	USD	0.04	2.94

As at 31 March ,2019

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	3.39	234.67
	GBP	0.11	9.64
Advances	USD	0.004	0.24
Bank Balances	USD	0.07	4.88

As at 01 April, 2018

Particulars	Currency	Foreign Currency in Lakhs	(₹ in lakhs)
Trade Receivables	USD	24.38	1,589.06
	GBP	0.009	0.78

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39 Employee Benefits

A Long term employee benefit obligations

The compensated absences charge for the year ended 31 March, 2020 based on actuarial valuation amounting to ₹20.13 lakhs (31 March, 2019 ₹7.61 lakhs) has been charged in the Statement of Profit and Loss.

B Post Employment Obligations

i. Defined contribution plans

Employer's Contribution to Provident Fund

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:

The expense recognised during the year towards defined contribution plan -

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Employer's Contribution to Provident Fund	131.30	93.70

ii. Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded with an insurance company in the form of a qualifying insurance policy.

Change in the Present Value of Projected Benefit Obligations (₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Present Value of Benefit Obligation at the beginning of the year	971.27	1,047.49
Interest Cost	72.65	80.45
Current Service Cost	55.02	78.26
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.24	19.48
(Benefit Paid From the Fund)	(86.23)	(147.56)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	44.83	9.88
Actuarial (Gains)/Losses on Obligations - Due to Experience	(80.72)	(116.72)
Present Value of Benefit Obligation at the End of the year	**977.07**	**971.27**

Change in the Fair Value of Plan Assets (₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Fair Value of Plan Assets at the beginning of the year	**980.62**	811.98
Interest Income	73.35	62.36
Contributions by the Employer	0.77	254.99
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	0.24	-
(Benefit Paid from the Fund)	(86.23)	(147.56)
Return on Plan Assets, Excluding Interest Income	0.25	(1.16)
Fair Value of Plan Assets at the end of the year	**969.01**	**980.62**

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39 Employee Benefits (Contd.)

Amount recognised in the Balance Sheet (₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
(Present Value of Benefit Oblieation at the end of the year)	(977.07)	(971.27)	(1,047.49)
Fair Value of Plan Assets at the end of the year	969.01	980.62	811.98
Funded Status (Surplus/ (Deficit))	(8.06)	9.35	(235.51)
Net (Liability)/Asset Recognized in the Balance Sheet	(8.06)	9.35	(235.51)

Net Interest Cost for the Current year (₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Present Value of Benefit Obligation at the Beginning of the year	971.27	1,047.49
(Fair Value of Plan Assets at the Beginning of the year)	(980.62)	(811.98)
Net Liability/(Asset) at the Beginning	(9.35)	235.51
Interest Cost	72.65	80.45
(Interest Income)	(73.35)	(62.36)
Net Interest Cost for Current year	**(0.70)**	**18.09**

Expenses Recognised in the Statement of Profit or Loss for Current year (₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Service Cost	55.02	78.26
Net Interest Cost	(0.70)	18.09
Past Service Cost	-	-
Expenses Recognized	**54.32**	**96.34**

Expenses Recognised in the Other Comprehensive Income (OCI) for Current year (₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Service Cost	(35.89)	(106.84)
Net Interest Cost	(0.25)	1.16
Past Service Cost	-	-
Expenses Recognized	**(36.14)**	**(105.69)**

Balance Sheet Reconciliation (₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Opening Net Liability	(9.35)	235.51	79.77
Expenses Recognized in Statement of Profit or Loss	54.32	96.34	329.36
Expenses Recognized in OCI	(36.14)	(105.69)	(93.86)
Net Liability/(Asset) Transfer In	-	19.48	-
Net (Liabilify)/Asset Transfer Out	-	-	-
(Benefit Paid Directly by the Employer)	-	-	-
(Employer's Contribution)	(0.77)	(254.99)	(79.77)
Net Liability/(Asset) Recognized in the Balance Sheet	8.06	(9.35)	235.51

Categories of plan assets are as follows: (₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Insurer managed funds	969.01	980.62	811.98
Total	**969.01**	**980.62**	**811.98**

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39 Employee Benefits (Contd.)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows: **(₹ in lakhs)**

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Discount rate	7.48	7.68	7.68
Salary growth rate	7.00	7.00	7.00
Withdrawal rate (per annum)	10.00	10.00	10.00

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: **(₹ in lakhs)**

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Discount rate- Delta Effect of 0.5%	(25.70)	(24.32)	27.12	25.63
Salary growth rate- Delta Effect of 0.5%	13.31	12.93	(13.33)	(13.08)
Attrition Rate- Delta Effect of 0.5%	4.60	5.89	(4.85)	(6.20)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk — A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Investment Risk — The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end ofthe reporting period on government bonds. Ifthe return on plan asset is below this rate, it will create aplan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Salary Risk — The present value ofthe defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk — The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk — Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk — Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are ₹81.17 lakhs

The weighted average duration of the defined benefit obligation is 8 years (31 March , 2019 – 7 years, 01 April, 2018 - 7 years).

Maturity Analysis of the Benefit Payments from the Fund **(₹ in lakhs)**

	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
31 March 2020						
Defined benefit obligation (gratuity)	126.58	105.85	100.33	126.40	102.01	414.54
31 March 2019						
Defined benefit obligation (gratuity)	149.70	106.53	102.65	97.76	122.26	436.22
01 April 2018						
Defined benefit obligation (gratuity)	110.24	104.30	102.41	100.97	97.84	522.93

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40 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(₹ in lakhs)

Assets	As at 31 March, 2020			As at 31 March, 2019			As at 01 April , 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financials Assets									
Cash and cash equivalents	5,740.15	-	5,740.15	335.15	-	335.15	5,260.65	-	5,260.65
Bank balances other than cash and cash equivalents	5,568.18	13,850.84	19,419.02	23,659.96	209.65	23,869.61	28,709.09	2,871.23	31,580.32
Trade Receivables	88,921.37	-	88,921.37	36,063.00	-	36,063.00	86,748.45	-	86,748.45
Other Receivables	-	-	-	-	-	-	94.70	-	94.70
Loans	-	-	-	3.95	-	3.95	5.06	-	5.06
Investments	11,520.80	495.88	12,016.68	11,830.00	495.88	12,325.88	10,335.53	-	10,335.53
Other Financial Assets	10,003.39	191.11	10,194.50	287.69	201.23	488.92	284.96	187.12	472.08
Sub-Total	**1,21,753.90**	**14,537.83**	**1,36,291.72**	**72,179.74**	**906.76**	**73,086.51**	**1,31,438.44**	**3,058.35**	**1,34,496.79**
Non Financials Assets									
Inventories	-	-	-	-	-	-	-	-	-
Current Tax Assets (Net)	-	595.28	595.28	-	1,095.51	1,095.51	-	968.85	968.85
Deferred Tax Assets (Net)	-	24.40	24.40	-	46.06	46.06	-	30.32	30.32
Property, Plant and Equipment	-	184.76	184.76	-	227.38	227.38	-	79.83	79.83
Other Intangible assets	-	97.06	97.06	-	24.91	24.91	-	28.50	28.50
Intangible assets under development	-	15.96	15.96	-	26.73	26.73	-	9.74	9.74
Other Non- Financial Assets	66.68	77.99	144.66	66.89	86.47	153.36	135.00	2.37	137.37
Sub-Total	**66.68**	**995.44**	**1,062.12**	**66.89**	**1,507.06**	**1,573.95**	**135.00**	**1,119.61**	**1,254.61**
Total Assets	**1,21,820.57**	**15,533.27**	**1,37,353.84**	**72,246.63**	**2,413.82**	**74,660.46**	**1,31,573.44**	**4,177.96**	**1,35,751.40**

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40 **Maturity analysis of assets and liabilities (Contd.)**

(₹ in lakhs)

Liabilities	As at 31 March, 2020			As at 31 March, 2019			As at 01 April , 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities									
Payables									
I)Trade payables	92,826.36	-	92,826.36	32,682.98	-	32,682.98	82,426.24	-	82,426.24
II)Other payables	2.16	-	2.16	1.08	-	1.08	28.53	-	28.53
Borrowings (Other than Debt Securities)	55.39	40.96	96.35	2,002.02	96.35	2,098.37	-	-	-
Other financial liabilities	9.81	-	9.81	15.44	-	15.44	5.61	-	5.61
Sub-Total	**92,893.72**	**40.96**	**92,934.68**	**34,701.52**	**96.35**	**34,797.87**	**82,460.38**	**-**	**82,460.38**
Non-Financial Liabilities			-						
Current tax liabilities(Net)	416.14	-	416.14	98.26	-	98.26	211.31	-	211.31
Provisions	2,794.45	406.48	3,200.94	2,886.61	1,195.55	4,082.16	6,248.80	1,810.25	8,059.05
Other non-financial liabilities	1,005.51	-	1,005.51	884.99	-	884.99	2,279.96	-	2,279.96
Sub-Total	**4,216.10**	**406.48**	**4,622.58**	**3,869.86**	**1,195.55**	**5,065.41**	**8,740.07**	**1,810.25**	**10,550.32**
Total Liabilities	**97,109.82**	**447.44**	**97,557.26**	**38,571.38**	**1,291.90**	**39,863.28**	**91,200.45**	**1,810.25**	**93,010.70**

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41 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020, March 31, 2019 and as at April 1, 2018.The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Debt (long-term and short-term borrowings including current maturities)	96.35	2,098.37	-
Less: cash and bank balances	25,159.16	24,204.76	36,840.98
Adjusted net debt	**(25,062.81)**	**(22,106.39)**	**(36,840.98)**
Total Equity	39,796.58	34,797.18	42,740.69
Adjusted net debt to adjusted equity ratio	NA	NA	NA

42 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

43 Change in liabilities arising from financing activities

(₹ in lakhs)

Particulars	01 April, 2019	Cash Flows	Others*	31 March, 2020
Borrowings	1,954.43	(1,954.43)	-	-
Lease Liability	143.94	(47.58)		96.35
Total liabilities from financing activities	**2,098.37**	**(2,002.01)**	-	**96.35**

(Rs in Lakhs)

Particulars	01 April, 2018	Cash Flows	Others*	31 March, 2019
Borrowings	-	1,954.43		1,954.43
Lease Liability	-	(14.52)	158.45	143.94
Total liabilities from financing activities	-	**1,939.91**	**158.45**	**2,098.37**

*Others- Represent Lease Liability recognised as per Ind AS 116

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Notes to financial statements for the year ended 31 March, 2020

44 Related Party Disclosures

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A Name of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	Axis Bank Limited ("ABL")
Fellow Subsidiaries with whom transactions have taken	Axis Finance Limited ("AFL")
	Axis Securities Limited ("ASL")
Subsidiary Company	Axis Capital USA LLC ("ACUL")
Key Management Personnel (KMP) and its relatives	Mr. Amitabh Chaudhary (Chairperson w.e.f. 17th January, 2019)
	Ms. Shikha Sharma (Chairperson till 31st December, 2018)
	Mr. Salil Pitale (Joint Managing Director and Co CEO w.e.f. 4th December, 2018)
	Mr. Chirag Negandhi (Joint Managing Director and Co CEO w.e.f. 4th December, 2018)
	Mr. Dharmesh Mehta (Managing Director and CEO till 4th December, 2018)
	Mr. Mitesh Mehta (Relative of Managing Director and CEO till 4th December, 2018)
	Mr. Rajeev Anand (Director w.e.f. 17th January, 2019)
	Mr. Samir Barua (Independent Director)
	Mr. Bahram Vakil (Independent Director)
	Ms. Sutapa Banerjee (Independent Director w.e.f. 17th January, 2019)
	Mr. Manish Chokhani (Independent Director till 22nd October, 2018)

B Details of related party transactions:

(₹ in lakhs)

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Income					
Brokerage Income	**9.47**	-	-	-	**9.47**
	(12.45)	-	-	-	(12.45)
Brokerage Income (ASL)	-	-	-	-	-
	-	-	(1.42)	-	(1.42)
Bank interest	**936.28**	-	-	-	**936.28**
	(910.94)	-	-	-	(910.94)
Advisory Income	**924.00**	-	-	-	**924.00**
	(23.33)	-	-	-	(23.33)
Reimbursement of expense received	**26.43**	-	-	-	**26.43**
	(0.24)	-	-	-	(0.24)
Expenses					
Remuneration of Key Management Personnel and its relatives#					
Mr. Chirag Negandhi (from 04-12-2018)	-	-	-	**369.73**	**369.73**
	-	-	-	(31.42)	(31.42)
Mr. Salil Pitale (from 04-12-2018)	-	-	-	**366.03**	**366.03**
	-	-	-	(30.19)	(30.19)
Mr. Dharmesh Mehta (upto 04-12-2018)	-	-	-	-	-
	-	-	-	(1,047.63)	(1,047.63)
Mr. Mitesh Mehta (upto 04-12-2018)	-	-	-	-	-
	-	-	-	(167.14)	(167.14)
Reimbursement of expense paid	**1,242.83**			**9.46**	**1,252.29**
	(1,389.36)			(0.78)	(1,390.14)
Royalty charges paid	**36.10**	-	-	-	**36.10**
	-	-	-	-	-
Chaperoning Services Paid	-	**126.74**	-	-	**126.74**
	-	-	-	-	-
Interest expense	**47.29**	-	-	-	**47.29**
	(41.83)	-	-	-	(41.83)

44 Related Party Disclosures (Contd.)

(₹ in lakhs)

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Bank charges	4.34	-	-	-	4.34
	(3.83)	-	-	-	(3.83)
Demat charges	0.57	-	-	-	0.57
	(1.07)	-	-	-	(1.07)
Brokerage expense	5.68	-	-	-	5.68
	(13.87)	-	-	-	(13.87)
Brokerage expense (ASL)	-	-	11.59	-	11.59
	-	-	(19.85)	-	(19.85)

Other Transactions					
Dividend paid	4,226.25	-	-	-	4,226.25
	(11,760.00)	-	-	-	(11,760.00)
Purchase of fixed assets (AFL)	-	-	-	-	-
	-	-	(0.28)	-	(0.28)
Investment	-	-	-	-	-
	-	(495.88)	-	-	(495.88)

Note: Figures in bracket pertain to the previous year.
#Deferred bonus considered in remuneration on payment basis.
As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

C Key management personnel compensation

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Short Term Employee Benefits*	-	-
Share Based Payments	660.59	-

* 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.

D Details of balances outstanding for related party transactions:

(₹ in lakhs)

Name of the related party	Nature of Transaction	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Holding Company	Fixed deposit (including interest accrued)	9,458.83	12,159.16	10,584.68
	Share Capital	7,350.00	7,350.00	7,350.00
	Current account	5,664.56	332.60	5,207.08
	Overdraft Account Balance*	-	1,954.43	-
	Other payables	46.08	0.51	27.77
	Tarde receivable	-	-	19.13
	Bank Guarantee outstanding	-	-	5.00
Subsidiary Company	Others Receivable	-	27.14	25.58
	Investment	495.88	495.88	-
Fellow Subsidiaries (ASL)	Trade payables	0.11	-	-

* Closing credit line obtained by the Company from Axis Bank Limited is ₹20,000 lakhs (Previous Year: ₹20,000 lakhs)

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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45 Share based payments

2019 - Employee Stock Option Plan

ABL Employee Welfare Trust ("the Trust") in consultation with Axis Bank Limited ("the Holding Company") has granted equity options of Axis Bank Limited to the Executive employees of the Company under the Employee Stock Option Plan 2019 (" ESOP 2019") with effect from 30 August 2019 to enable the employees of the Company to participate in the future growth and success of the Company. The Holding Company has not charged any cost to the Company relating to ESOPs granted to the employees of the Company.

These options which confer a right but not an obligation on the employee to apply for equity shares of the Holding Company once the terms and conditions set forth in the Employee Stock Option Plan 2019 ("ESOP 2019") and the option agreement have been met. Vesting of options would be subject to continued employment with the Company and meeting the requisite performance parameters.

The Company has below share based payment arrangement under ESOP 2019 as on 31 March 2020

Particulars	Date of grants	Number of option granted	Exercise price (in ₹)
Grant I	30 August 2019	11,55,000	-

Conditions

Vesting condition	Continued employment with the Company and fulfilment of performance parameters
Exercise period	Exercisable after vesting period
Method of settlement	Equity

Vesting schedule

	Grant I	Number of option expect to be vested
As at 30 April 2020	30%	3,39,000
As at 30 April 2021	30%	3,42,000
As at 30 April 2022	40%	4,54,000

Reconciliation of outstanding employee stock options:

For the year ended 31 March 2020 (₹ in lakhs)

Particulars	Shares arising out of options	Range of exercise prices (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Outstanding as at 01 April 2019	-	-	-	-
Add: Options granted during the year	11,55,000	-	-	1.77 years
Less: Options cancelled during the year	20,000	-	-	1.77 years
Less: Options exercised during the year	-	-	-	-
Options outstanding at 31 March 2020	11,35,000	-	-	1.18 years
Exercisable options at 31 March 2020	-	-	-	-

Valuation of stock option

Options have been valued based on fair value method as described under Ind AS 102 Share based payments, using Black Scholes valuation options pricing model, by using the fair value of the company's shares on the grant date.

Particulars	Grant I (Vesting date 30 April , 2020)	Grant I (Vesting date 30 April , 2021)	Grant I (Vesting date 30 April , 2022)
Grant date	30-Aug-19	30-Aug-19	30-Aug-19
Share price (in ₹)	663.90	663.90	663.90
Exercise price (in ₹)	-	-	-
Expected volatility	28.00%	28.00%	28.00%
Expected life- In years	0.67	1.67	2.67
Expected dividend	0.71%	0.71%	0.71%
Risk-free interest rate (based on government bonds)	5.87%	5.93%	6.10%
Fair value (in ₹)	660.75	656.07	651.43

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Expenses summary of shared-based payment (₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
2019 ESOP plan	3,402.79	-

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Notes to financial statements for the year ended 31 March, 2020

46 Segment Reporting

Basis of Segment

The Company has a single reporting segment and hence no separate disclosure has been provided. The Managing Directors and CEO of the Company has been considered as the chief operating decision maker (CODM).

(₹ in lakhs)

Disclosure on Geographical Segment	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Revenue from customers outside India	484.16	3,024.31
Revenue from customers within India	23,584.54	18,483.10
Total	**24,068.70**	**21,507.41**

Information about major customers: No single customer represents 10% or more of the Company's total revenue during the year ended 31 March, 2020 and 31 March, 2019.

47 The outstanding balance on account of principal and interest as on 31 March 2020 remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is ₹17.10 lakhs (Previous Year: ₹11.93 lakhs). 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.

48 Revenue from Contracts with Customers

I Qualitative Disclosures :

The Company is engaged in the business institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head:

A Brokerage Income

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 Income from Investment Banking

Income from Investment Banking consists of Income from issue management and financial advisory services, underwriting commission and Selling commissions/brokerage generated from primary market operations.

a Issue Management and Advisory Income

In case of these issue management and advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer.

Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

b Underwriting Commission

The Company recognises underwriting commission over a period of satisfaction of performance obligation as it is continuing service.

c Selling commissions/brokerage generated from primary market operations

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.

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48 Revenue from Contracts with Customers (Contd.)

d Transaction price allocated to the remaining performance obligations

The Company has elected to apply the practical expedient under Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

e Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation or over a period of time in case of continuing contracts.

II Quantitative Disclosures:

a The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Revenue from contracts with customers	24,059.04	21,277.49
Other operating income	9.66	229.92
Total Revenue	**24,068.70**	**21,507.41**
Impairment loss on receivables	170.03	105.73

b Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major services and timing of revenue recognition:

(₹ in lakhs)

Particulars	For the year ended 31 March , 2020	For the year ended 31 March , 2019
Advisory services and other professional services	12,936.23	10,338.08
Underwriting Commission	55.37	310.54
Brokerage Income	11,077.10	10,858.79
Total	**24,068.70**	**21,507.41**
Timing of revenue recognition		
At a point in time	24,013.33	21,196.87
Over a period of time	55.37	310.54
Total	**24,068.70**	**21,507.41**

c Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Receivables	88,921.37	36,063.00	86,748.45
Contract Liability	-	-	95.62

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof:

Nature of Contract : Underwriting Commission

(₹ in lakhs)

Particulars	2019-20	2018-19
Opening Balance of Contract Liabilities	-	95.62
Revenue Recognised during the year	-	95.62
Closing Balance of Contract Liabilities	-	-

49 Fair Value Measurement

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

Financial Assets and Liabilities as at 31 March, 2020	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	5,740.15	5,740.15	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	19,419.02	19,419.02	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Trade Receivables	-	-	88,921.37	88,921.37	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Investments	11,520.80		-	11,520.80	11,520.80	-	-	11,520.80
Other Financials Assets	-	-	10,194.50	10,194.50	-	-	-	-
Total	**11,520.80**	**-**	**1,24,275.03**	**1,35,795.84**	**11,520.80**	**-**	**-**	**11,520.80**
Financial Liabilities								
Payables								
Trade payables	-	-	92,826.36	92,826.36	-	-	-	-
Other payables	-	-	2.16	2.16	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	96.35	96.35	-	-	-	-
Other financial liabilities	-	-	9.81	9.81	-	-	-	-
	-	-	**92,934.68**	**92,934.68**	-	-	-	-

(₹ in lakhs)

Financial Assets and Liabilities as at 31 March, 2019	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	335.15	335.15	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	23,869.61	23,869.61	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Trade Receivables	-	-	36,063.00	36,063.00	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	3.95	3.95	-	-	-	-
Investments	11,830.00	-	-	11,830.01	11,830.00	-	-	11,830.00
Other Financials Assets	-	-	488.92	488.92	-	-	-	-
Total	**11,830.00**	**-**	**60,760.64**	**72,590.64**	**11,830.00**	**-**	**-**	**11,830.00**
Financial Liabilities								
Payables								
Trade payables	-	-	32,682.98	32,682.98	-	-	-	-
Other payables	-	-	1.08	1.08	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	2,098.37	2,098.37	-	-	-	-
Other financial liabilities	-	-	15.44	15.44	-	-	-	-
Total	-	-	**34,797.87**	**34,797.87**	-	-	-	-

49 **Fair Value Measurement (Contd.)**

(₹ in lakhs)

Financial Assets and Liabilities as at 01 April, 2018	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	5,260.66	5,260.66	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	31,580.32	31,580.32	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Trade Receivables	-	-	86,748.45	86,748.45	-	-	-	-
Other Receivables	-	-	94.70	94.70	-	-	-	-
Loans	-	-	5.06	5.06	-	-	-	-
Investments	10,335.53	-	-	10,335.53	10,335.53	-	-	10,335.53
Other Financials Assets	-	-	472.07	472.07	-	-	-	-
Total	**10,335.53**	**-**	**1,24,161.25**	**1,34,496.79**	**10,335.53**	**-**	**-**	**10,335.53**
Financial Liabilities								
Payables								
Trade payables	-	-	82,426.24	82,426.24	-	-	-	-
Other payables	-	-	28.53	28.53	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	5.61	5.61	-	-	-	-
Total	**-**	**-**	**82,460.38**	**82,460.38**	**-**	**-**	**-**	**-**

B **Measurement of fair value**

The following methods and assumptions were used to estimate the fair values:

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other current bank balances and other financial liabilities including trade payables , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments. Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

C **Fair Value Hierarchy**

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The fair value of all mutual funds is valued using the closing NAV as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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50 Financial Risk Management

The company has in place comprehensive risk management polciy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the company. Together they help in achieving the business goals and objectives consistent with the company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The company's financial risk management is an integral part of how to plan and execute its business strategies.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

A Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other Receivables

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Outstanding for a period not exceeding six months	88,908.10	36,002.98	86,333.15
Outstanding for a period exceeding six months	183.29	165.73	648.08
Gross Trade Receivables	**89,091.39**	**36,168.71**	**86,981.23**
Less: Impairment Loss	170.03	105.73	232.78
Net Trade Receivables	**88,921.35**	**36,062.99**	**86,748.45**

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

The Company has assessed credit risk on an individual basis for trade receivables amounting to ₹Nil (31 March, 2020), ₹58.86 lakhs (31 March, 2019), ₹414.08 lakhs (01 April, 2018) and no loss allowance has been recognised for such trade receivables.

The following table summarizes the changes in loss allowances measured using expected credit loss model -

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Opening Provision	**105.73**	232.78	82.82
Provision during the year	101.45	104.83	232.78
Reversal of Provision	(37.14)	(231.88)	(82.82)
Closing Provision	**170.03**	**105.73**	**232.78**

ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of ₹25,159.17 lakhs at 31 March, 2020 (31 March, 2019: ₹24,204.76 lakhs; 01 April, 2018: ₹36,840.97 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

50 Financial Risk Management (Contd.)

iii. Loans
The Company has given loans to their staff and hence the Company do not foresee any credit risk and hence no impairment provision is made.

iv. Other Financial Assets
Other Financial Assets majorly consists of OPE recoverable from the clients . Provision for Impairment Loss for 31 March, 2020 - ₹ Nil (31 March, 2019 - ₹2.92 lakhs)

The following table summarizes the changes in loss allowances measured using expected credit loss model -

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Opening Provision	-	2.62	22.51
Provision during the year	-	-	2.62
Reversal of Provision	-	(2.62)	(22.51)
Closing Provision	-	-	**2.62**

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(₹ in lakhs)

Contractual maturities of financial liabilities 31 March, 2020	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	92,826.36	-	-	92,826.36
Other payables	2.16	-	-	2.16
Borrowings	55.39	40.96	-	96.35
Other financial liabilities	9.81	-	-	9.81
Total	**92,893.72**	**40.96**	-	**92,934.68**

(₹ in lakhs)

Contractual maturities of financial liabilities 31 March, 2019	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	32,682.98	-	-	32,682.98
Other payables	1.08	-	-	1.08
Borrowings	2,002.01	96.35	-	2,098.37
Other financial liabilities	15.44	-	-	15.44
Total	**34,701.51**	**96.35**	-	**34,797.87**

(₹ in lakhs)

Contractual maturities of financial liabilities 01 April, 2018	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	82,426.24	-	-	82,426.24
Other payables	28.53	-	-	28.53
Borrowings	-	-	-	-
Other financial liabilities	5.61	-	-	5.61
Total	**82,460.38**	-	-	**82,460.38**

50 Financial Risk Management (Contd.)

C Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company's exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

The Company is exposed to currency risk on account of its trade receivables in foreign currency. The functional currency of the Company is Indian Rupee

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2020, 31 March, 2019 and 01 April , 2018 are as below:

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Trade and Other Receivables	100.60	244.55	1,589.85
Bank Balances	2.94	4.88	-
Advances	-	0.24	-

Year End Spot Rates

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
USD	75.63	69.15	65.18
GBP	-	90.51	92.28

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of sales.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period:

Particulars	Foreign Currency Exposure (In lakhs)		
	March 31, 2020	March 31, 2019	April 1, 2018
1% Depreciation in INR-Impact on Profit and Loss/Equity	1.04	2.49	15.90
1% Appreciation in INR-Impact on Profit and Loss/Equity	(1.04)	(2.49)	(15.90)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

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50 Financial Risk Management (Contd.)

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April , 2018
Floating rate borrowings	-	1,954.43	-

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Company's interest bearing financial instruments is as follows:

	For the year ended 31 March 2019	
Particulars	**100bp Increase**	**100bp decrease**
Financial Liability		
Variable rate Instrument		
Floating Rate Borrowings	19.54	(19.54)

(iii) Price Risk

The company's exposure to mutual fund price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss. Since the mutual fund are highly liquid debt oriented funds company does not have a material price risk exposure.

Other Risk - Impact of Covid -19

Financial instruments carried at fair value as at 31 March, 2020 is Rs.11,520 lakhs and financial instruments carried at amortised cost as at 31 March, 2020 is Rs.495.88 lakhs. These financial assets are classified as Level 1 as at 31 March, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets of Rs.25,159 lakhs as at 31 March, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of 88,921 lakhs as at 31 March, 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. The Company does not foresee any impact of Covid-19 on these balances.

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51 First time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March, 2020, the comparative information presented in these financial statements for the year ended 31 March , 2019 and in the preparation of an opening Ind AS balance sheet at 01 April, 2018 (the company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.
The Company has opted to consider the carrying value of property, plant and equipment, Intangible assets as deemed cost as at the transition date.

ii. Estimates

An company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 01 April, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

iii. Classification and measurement of financial assets

Ind AS 101 requires an company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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Notes to financial statements for the year ended 31 March, 2020

51 First time adoption of Ind AS (Contd.)

B Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of Balance sheet as at date of transition (01 April , 2018)

(₹ in lakhs)

Particulars	Notes	IGAAP-Reclassified	Ind-AS Adjustments	Ind AS
ASSETS				
Financials Assets				
Cash and cash equivalents		5,260.66	-	5,260.66
Bank Balance other than cash & cash equivalents		31,580.32	-	31,580.32
Receivable		-	-	-
(i) Trade receivables		86,748.45	-	86,748.45
(ii) Other receivables		94.70	-	94.70
Loans	a	5.28	(0.22)	5.06
Investments	b	10,085.21	250.32	10,335.53
Other financial assets	f	428.47	43.60	472.07
Total financial assets		**1,34,203.09**	**293.70**	**1,34,496.79**
Non Financials Assets				
Inventories		-	-	-
Current tax assets (net)		968.85	-	968.85
Deferred tax assets (net)	c	104.12	(73.80)	30.32
Property, plant and equipment		79.83	-	79.83
Other Intangible assets		28.50	-	28.50
Intangible assets under development		9.74	-	9.74
Other non-financial assets		137.37	-	137.37
Total non-financial assets		**1,328.41**	**(73.80)**	**1,254.61**
Total Assets		**1,35,531.50**	**219.90**	**1,35,751.40**
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Payables				
Trade payables		82,426.24	-	82,426.24
Other payables		28.53	-	28.53
Borrowings		-	-	-
Other financial liabilities		5.61	-	5.61
Total Financial Liabilities		**82,460.38**	**-**	**82,460.38**
Non-Financial Liabilities				
Current tax liabilities(Net)		211.31	-	211.31
Provisions	e	8,072.15	(13.09)	8,059.06
Other non-financial liabilities	f	2,184.34	95.62	2,279.96
Total Liabilities		**10,467.80**	**82.53**	**10,550.33**
EQUITY				
Equity Share capital		7,350.00	-	7,350.00
Other Equity	a,b,c,e,g	35,253.32	137.37	35,390.69
Total Equity		**42,603.32**	**137.37**	**42,740.69**
Total Liabilities and Equity		**1,35,531.50**	**219.90**	**1,35,751.40**

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Notes to financial statements for the year ended 31 March, 2020

51 First time adoption of Ind AS (Contd.)

ii. Reconciliation of Balance sheet as at 31 March , 2019

(₹ in lakhs)

Particulars	Notes	IGAAP-Reclassified	Ind-AS Adjustments	Ind AS
ASSETS				
Financials Assets				
Cash and cash equivalents		335.15	-	335.15
Bank Balance other than cash & cash equivalents		23,869.61	-	23,869.61
Receivable		-	-	-
(i) Trade receivables		36,063.00	-	36,063.00
(ii) Other receivables		-	-	-
Loans	a	4.01	(0.06)	3.95
Investments	b	12,316.31	9.57	12,325.88
Other financial assets	a,f	479.96	8.96	488.92
Total financial assets		**73,068.04**	**18.47**	**73,086.51**
Non Financials Assets				
Inventories		-	-	-
Current tax assets (net)		1,095.51	-	1,095.51
Deferred tax assets (net)	c	52.85	(6.79)	46.06
Property, plant and equipment	g	83.44	143.94	227.38
Other Intangible assets		24.91	-	24.91
Intangible assets under development		26.73	-	26.73
Other non-financial assets		153.36	-	153.36
Total non-financial assets		**1,436.80**	**137.15**	**1,573.95**
Total Assets		**74,504.84**	**155.62**	**74,660.46**
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Payables				
Trade payables		32,682.98	-	32,682.98
Other payables		1.08	-	1.08
Borrowings	g	1,954.43	143.94	2,098.37
Other financial liabilities		15.44	-	15.44
Total Financial Liabilities		**34,653.93**	**143.94**	**34,797.87**
Non-Financial Liabilities				
Current tax liabilities(Net)		98.26	-	98.26
Provisions	e	4,083.13	(0.97)	4,082.16
Other non-financial liabilities		884.99	-	884.99
Total Liabilities		**5,066.38**	**(0.97)**	**5,065.41**
EQUITY				
Equity Share capital		7,350.00	-	7,350.00
Other Equity	a,b,c,e,f,g	27,434.53	12.65	27,447.18
Total Equity		**34,784.53**	**12.65**	**34,797.18**
Total Liabilities and Equity		**74,504.84**	**155.62**	**74,660.46**

* The previous year figures of financials prepared under IGAAP have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Notes to financial statements for the year ended 31 March, 2020

51 First time adoption of Ind AS (Contd.)

iii. Reconciliation of total comprehensive income for the year ended 31 March , 2019

(₹ in lakhs)

Particulars	Notes	IGAAP-Reclassified	Ind-AS Adjustments	Ind AS
Revenue from operation	f	21,443.50	63.90	21,507.40
Other income	a,b	2,961.10	(248.78)	2,712.32
Total Revenue		**24,404.60**	**(184.88)**	**24,219.72**
Finance costs	g	41.83	4.48	46.31
Impairment of financial instruments		43.51	-	43.51
Employee benefit expense	d	7,976.26	96.34	8,072.60
Depreciation and amortization	g	61.17	14.52	75.69
Other expenses	a,e,g	6,638.79	(2.82)	6,635.97
Total Expenditure		**14,761.56**	**112.52**	**14,874.09**
Profit/(loss) before tax		**9,643.04**	**(297.40)**	**9,345.63**
Tax expenses:				
Current tax		3,407.00	-	3,407.00
Excess provision for tax of earlier years		(173.74)	-	(173.74)
Deferred Tax	c	51.26	(67.00)	(15.74)
Total tax expense		**3,284.52**	**(67.00)**	**3,217.52**
Profit/(loss) for the year for continuing operations		**6,358.52**	**(230.40)**	**6,128.11**
Other comprehensive income				
Items not to be reclassified in profit and loss				
Remeasurements of the defined benefit plans	d	-	105.69	105.69
Income tax relating to the items that we not be reclassified to profit and loss				
Other comprehensive income		-	**105.69**	**105.69**
Total comprehensive income for the year		**6,358.52**	**(124.71)**	**6,233.80**

* The previous year figures of financials prepared under IGAAP have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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51 First time adoption of Ind AS (Contd.)

iv. Reconciliation of total equity as at 31 March, 2019 and 01 April , 2018

(₹ in lakhs)

Particulars	Notes	As at 31, March 2019	As at 01, April 2018
Total equity (shareholder's funds) as per previous GAAP		34,784.53	42,603.32
Adjustments:			
Interest Income on Interest Free Loans and Deposits	a	1.09	0.12
Fair value gain/(loss) on interest free loans and deposits	a	(4.07)	(0.34)
Fair valuation of Investments	b	9.57	250.31
Reversal of Lease Equalisation	e	0.96	13.09
Impact of revenue as per Ind AS 115	f	11.89	(52.01)
Tax on above adjustments	c	(6.79)	(73.80)
Total		**34,797.18**	**42,740.69**

v. Reconciliation of total comprehensive income for the year ended 31 March , 2019

(₹ in lakhs)

Particulars	Notes	31, March 2019
Profit after tax as per previous GAAP (A)		6,358.52
Adjustments:		
Fair value gain/(loss) on interest free loans and deposits	a	(4.07)
Interest Income on interest free loans and deposits	a	1.31
Fair valuation of Investments	b	(240.74)
Reversal of Lease Equalisation	e	(12.12)
Remeasurement of defined benefit plans	d	(105.69)
Impact of revenue as per Ind AS 115	f	63.90
Tax on Above Adjustments	c	67.00
Net impact of Ind AS adjustments (B)		**(230.41)**
Profit/(loss) for the period as per Ind AS (A+B)=C		**6,128.11**
Adjustments to Other Comprehensive Income		
Remeasurement of defined benefit plans - OCI	d	105.69
Net impact of Ind AS adjustments (D)		**105.69**
Total comprehensive income as per Ind AS (C+D)		**6,233.80**

vi. Effects of Ind AS adoption on Cash Flows for year ended 31 March , 2019

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

Notes

a Valuation of loans and security deposits

As per Ind AS 109, all financial assets and liabilities are required to be measured at their respective fair value. The interest free security deposit and loans given are financial assets and are thus required to be measured at present value using an appropriate discount rate. The difference between the fair value and the transaction price has been recognised as an expense. Subsequently, these loans and deposits have been measured at amortised cost using the effective interest rate ('EIR') and the resultant interest is accounted as interest income.

b Investments measured at FVTPL

The company has designated investments in mutual funds at Fair Value through Profit and Loss (FVTPL).At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings and for the year ended March 31, 2019, fair value gain has been recognised in profit and Loss account.

c Deferred tax

Retained Earnings and Statement of Profit and Loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax and additional deferred tax (wherever it was not recognised in previous GAAP), wherever applicable.

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51 First time adoption of Ind AS (Contd.)

d Remeasurements of post employment benefit obligation

Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to profit or loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

e Lease Equalisation

Under Indian GAAP, lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit. Under Ind AS, lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless (a) another systematic basis is more representative of the time pattern of the user's benefit; or (b) the payments to the lessor are structured to increase in line with expected general inflation for cost increases. The Company has accounted for the lease payments without considering the straight lining effect over the lease term.

f Revenue Recognition

The Company recognised revenue as per milestone in the contract on the stage of completion of performance obligations and terms of agreement with the client. However as per Ind AS 115, the Company has recognised revenue amounting to Rs. 63.90 lakhs over a period of time in case of performance obligation is satisfied over a period of time.

g Due to this amendment of Ind AS 116- Leases, the right-of-use asset is recognised since the commencement of the lease, and discounted using the lessee's incremental borrowing rate on the date of transaction. Accordingly, a right-of-use asset of Rs. 158.45 lakhs and a corresponding lease liability of Rs.158.45 lakhs has been recognized on the date of transaction. Accordingly on 31, March, 2019, amortised depreciation amounting to Rs. 14.52 lakhs and interest expenses of Rs. 4.48 lakhs has been reclassified from Other Expenses.

52 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.

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Notes to financial statements for the year ended 31 March, 2020

53 Disclosure related to Leases

A Additions to Right to Use

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Lease hold Property	-	158.45	-

B Carrying value of right of use assets at the end of the reporting period

(₹ in lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Balance at the beginning of the year	143.94	-	-
Additions	-	158.45	-
Depreciation charge for the year	47.58	14.52	-
Balance at the end of the year	96.35	143.94	-

C Maturity analysis of lease liabilities

(₹ in lakhs)

Maturity analysis – contractual undiscounted cash flows	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Less than one year	60.85	57.95	-
One to five years	41.89	102.74	-
More than five years	-	-	-
Total undiscounted lease liabilities at 31 March	102.74	160.69	-
Lease liabilities included in the statement of financial position at the year ended	**96.35**	**143.94**	-

D Amounts recognised in statement of profit or loss

(₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Interest on lease liabilities	10.37	4.48
Expenses relating to short-term leases	667.59	777.63
Expenses relating to leases of low-value assets	1.44	1.44
Total	679.40	783.55

E Amounts recognised in the statement of cash flows

(₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Operating Activity	669.03	779.07
Financial Activity	57.95	19.00
Total Cash outflow for leases	**726.98**	**798.07**

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Notes to financial statements for the year ended 31 March, 2020

54 In compliance with Ind AS 27 " Separate Financial Statements" the required information is as under:

Name of entity	Principal place of business/ country of origin	subsidiary/ associate/ Joint Venture	Percentage of ownership Interest as on		
			31 March 2020	31 March 2019	01 April 2018
			%	%	%
Axis Capital USA LLC	Delaware, United States of America	Subsidiary	100	100	100

Subsidiary was formed on 8th August, 2017. However, investment made by Company in FY 2018-19

55 As the global pandemic COVID-19 continues to spread, the Indian government announced lockdown across the country to contain the spread of the virus. The management has assessed the internal and external information upto the date of approval of these financial statements and concluded that there is no material impact of Covid-19 on the Company's financials for year ended 31st March 2020.

56 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

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

Purushottam Nyati
Partner
Membership No. :- 118970

Place: Mumbai
Date: 15 May 2020

For and on behalf of the Board of Directors

Amitabh Chaudhry
Chairman
DIN No. :- 0531120

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

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

Neelesh Baheti
Chief Financial Officer

M. Natarajan
Company Secretary

Place: Mumbai

Date: 15 May 2020