

**Eighteenth  
Annual  
Report &  
Accounts  
2011-2012**

**AXIS CAPITAL MARKETS (INDIA) LIMITED**



## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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BOARD OF  
DIRECTORS

MR. G. B. DESAI - CHAIRMAN  
MR. DIPAN MEHTA  
MRS. RADHIKA MEHTA  
MR. ANIL MEHTA  
MRS. VINA MEHTA  
MR. DILIP KAPADIA

BANKERS

HDFC BANK

AUDITORS

P. C. SURANA & CO.  
CHARTERED ACCOUNTANTS  
205/6, STANDARD HOUSE,  
83, M. K. ROAD, MARINE LINES,  
MUMBAI - 400 002.

REGISTERED OFFICE

508, APEEJAY HOUSE, 5TH FLOOR,  
130, BOMBAY SAMACHAR MARG,  
FORT, MUMBAI - 400 023.

SHARE TRANSFER AGENTS

BIG SHARE SERVICES PRIVATE LIMITED  
E-2, ANSA INDUSTRIAL ESTATE,  
SAKIVIHAR ROAD, SAKI NAKA,  
ANDHERI (E), MUMBAI - 400072.  
TEL: 022 40430200  
FAX: 022 28525207  
EMAIL: info@bigshareonline.com  
bss@bigshareonline.com

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Shareholders of **AXIS CAPITAL MARKETS (INDIA) LIMITED** will be held on Saturday 15th September, 2012 at 10-00 a.m. at Ashok Birla Board Room, Indian Merchant Chambers, Churchgate, Mumbai 400020 to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Anil Mehta who retires by rotation and being eligible offers himself for re-appointment.
- 3) To re-appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

- 4) To consider and if, thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to Section 269 of the Companies Act, 1956 Mr. Dipan Mehta be and is hereby appointed as the Whole Time Director of the Company (with no remuneration) for a period of five years w.e.f. 1st June, 2012.

**RESOLVED FURTHER THAT** Mr. Dipan Mehta, be and is hereby authorized to perform such duties and responsibilities to meet the day-to-day administration and compliance requirements of the Company.

**RESOLVED FURTHER THAT** Mrs. Radhika Mehta, Director or any other Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to this resolution, including filing necessary forms with the Registrar of Companies.”

**By order of the Board,  
For AXIS CAPITAL MARKETS (INDIA) LIMITED**

Dated : 30<sup>th</sup> May, 2012  
Place : Mumbai

**Dipan Mehta**  
Director

# **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 for the resolution stated at item no. 4 of the notice has been attached.
4. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 10th September, 2012 to 15th September, 2012 (both the days inclusive).
6. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.
9. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
10. Pursuant to provisions of Section 205A and Section 205C of the Companies Act, 1956, dividend for the financial year March 31, 2006 and dividend declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956.

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Last date of claiming Unpaid Dividend</b>
Final Dividend for the year 2005 - 2006	17th June, 2006	22nd July, 2013
Final Dividend for the year 2006 - 2007	29th September, 2007	3rd November, 2014
Final Dividend for the year 2007 - 2008	27th September, 2008	1st November, 2015

11. All the shareholders are requested to register their e-mail address with M/s. Big Share Services Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by e-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.

# **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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## **EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)**

That following explanatory statement sets out all material facts referring to Item No. 4 of the Notice convening the Annual General Meeting of the Company.

### **ITEM NO. 4**

As per the provisions of Section 269 of the Companies Act, 1956 every public company having a paid up share capital of more than Rs. 5 crores must appoint a Managing Director or Whole Time Director or Manager. The appointment must be approved by the shareholders of the Company.

Accordingly the Board of Directors have at their Board Meeting held on 30th May, 2012, appointed Mr. Dipan Mehta as Whole Time Director of the Company w.e.f. 1st June, 2012 for a period of 5 years. He shall not draw any remuneration from the Company. Mr. Dipan Mehta shall be responsible to perform day to day activities required to meet the administrative and compliance needs of the Company.

The Board of Directors of the Company recommends this resolution in the interests of the Company.

Mr. Anil Mehta, Mrs. Vina Mehta and Mrs. Radhika Mehta (being relatives of Mr. Dipan Mehta) and Mr. Dipan Mehta shall be considered as concerned or interested in the resolution as Directors of the Company.

This explanatory statement shall be treated as an abstract of the term of appointment of Mr. Dipan Mehta pursuant to Section 302 of the Companies Act, 1956.

**By order of the Board,  
For AXIS CAPITAL MARKETS (INDIA) LIMITED**

**Dipan Mehta**  
Director

Dated : 30<sup>th</sup> May, 2012  
Place : Mumbai

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2012.

### 1. FINANCIAL RESULTS

	<b>For the Year ended March 31, 2012</b>	<b>For the Year ended March 31, 2011</b>
Revenue from Operations	3,160,927	4,911,884
Other Income	6,410,940	5,409,936
Total Revenue	<u>9,571,867</u>	<u>10,321,820</u>
Less: Expenses		
Finance Costs	-	110
Depreciation and amortization expenses	143,895	115,217
Other expenses	556,574	596,013
Total Expenses	<u>700,469</u>	<u>711,341</u>
Profit/(Loss) before Exceptional Items & Taxes	8,871,398	9,610,480
Exceptional Items	-	-
Profit / (Loss) before Extraordinary items Taxes	<u>8,871,398</u>	<u>9,610,480</u>
Extraordinary items	-	-
Profit before tax	8,871,398	9,610,480
Less: Tax		
Current Tax	(1,769,348)	(2,274,102)
Deferred Tax	35,063	3,591
Adjustment in Taxation in earlier years	-	(160,946)
Total Taxes	<u>(1,734,285)</u>	<u>(2,431,457)</u>
Profit / (Loss) for the period	7,137,113	7,179,023

### 2. DIVIDEND

With a view to deploy the profits into the existing operations of the company, Board of Directors has not recommended any dividend for the year.

### 3. OPERATIONS

During the year the company became the holding company of Axis Equities Pvt. Ltd. (AEPL), a company engaged in stock broking, arbitrage, depository services and portfolio management.

AEPL has membership of the Bombay Stock Exchange, National Stock Exchange, Central Depository Services Ltd and a

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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SEBI registered Portfolio Manager. Its subsidiary, Dipan Mehta Commodities Pvt. Ltd. is a member of the Multi Commodity Exchange of India.

This was the first year of consolidated operations.

## 4. ISSUE OF SHARES

On 12th August the Company allotted 28,00,000 equity shares of Rs. 10 each at a premium of Rs. 23.30 per share through conversion of 28,00,000 equity warrants. The said shares have been listed at the Bombay Stock Exchange Limited (BSE). The Company has completed all formalities in respect of issue of shares and listing the same on BSE.

## 5. DIRECTORS

Mr. Anil Mehta, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors have at their Board Meeting held on 30th May, 2012, appointed Mr. Dipan Mehta as Whole Time Director of the Company w.e.f. 1st June, 2012 for a period of 5 years. He shall not draw any remuneration from the Company.

## 6. SUBSIDIARY COMPANIES

As on 31st March, 2012, the Company has following three subsidiaries:

- i. Axis Equities Private Limited
- ii. Dipan Mehta Commodities Private Limited
- iii. Axis Wealth Management Private Limited

In terms of Section 212(a) of the Companies Act, 1956, the Central Government, Ministry of Corporate Affairs vide its General Circular 2/2011 dated 8th February, 2011 has granted a general exemption to the Company from the requirement of attaching to its annual report, the Balance Sheet, Profit and Loss Account and the report of the Directors and Auditors thereon of its subsidiaries. Accordingly the same is not attached to the Balance Sheet of the Company. Shareholders who wish to have a copy of Annual Accounts of subsidiary company may write to Mr. Dipan Mehta, Compliance Officer of the Company at the registered office of the Company.

## 7. CONSOLIDATION OF FINANCIAL STATEMENTS

In accordance with the said above referred circular and with the Accounting Standards AS – 21 notified by Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements covered in this report by the Company include financial information of its above referred three subsidiary companies and forms part of this Annual Report.

## 8. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Directors wish to state that the same is not applicable to the Company.

Foreign Exchange Earnings/Outgo	:	Rs.
Foreign Exchange Earned	:	Nil
Foreign Exchange Outgo	:	Nil



# **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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## **9. FIXED DEPOSITS**

The Company has not accepted any deposits from the public.

## **10. PARTICULARS OF EMPLOYEES**

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended is not given as there was no employee drawing the salary as per the limits mentioned in that Section.

## **11. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed;

- i) That in the preparation of the Annual Accounts for the financial year 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Accounts for the financial year ended 31st March, 2012 on a going concern basis.

## **12. LISTING OF SHARES**

The Company's shares are listed on Bombay Stock Exchange Limited. The company has paid the listing fees for the same.

## **13. CORPORATE GOVERNANCE**

A separate section on Corporate Governance is annexed to this report. The Certificate from the Auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

## **14. AUDITORS**

M/s. P. C. Surana & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

## **15. MANAGEMENT DISCUSSION AND ANALYSIS**

**Forward Looking Statements:**

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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*This section contains forward-looking statements, which may be identified by their use of words, like 'plans', 'expects', 'wills', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*

During the year the company became the holding company of Axis Equities Pvt. Ltd. (AEPL), a company engaged in stock broking, arbitrage, depository services and portfolio management.

AEPL has membership of the Bombay Stock Exchange, National Stock Exchange, Central Depository Services Ltd and a SEBI registered Portfolio Manager. Its subsidiary, Dipan Mehta Commodities Pvt. Ltd. is a member of the Multi Commodity Exchange of India.

This was the first year of consolidated operations.

### **a. Industry Structure and Development**

The company, through its subsidiaries, is engaged in the business of broking, arbitrage, investment and trading in shares. This is a highly fragmented industry with intense competition and low margins. Problems have been compounded by low volumes, lack of retail investors' participation and high level of taxes (Securities Transactions Tax).

### **b. Business Prospects and Future Plans**

The prospects of the company are directly linked to the performance of the stock market. With a view to diversify and expand into the financial services industry, your company has made a strategic investment in Axis Equities Private Limited (Formerly known as Dipan Mehta Share & Stock Brokers Pvt. Ltd.). The endeavor shall be to scale up the operations of this company so as to add value to all the stakeholders and derisk the business model.

### **c. Opportunities and Threats**

A prolonged bear phase in the stock markets is the main threat for the company. A bull market provides opportunities to earn profits from investment and trading activity.

### **d. Segment-Wise or Product-Wise Performance**

Not Applicable

### **e. Outlook**

The prospects of the company will depend upon how it is able to scale up the operations of its subsidiary company Axis Equities Pvt. Ltd. (AEPL) During the year under review, AEPL has upgraded its infrastructure by acquiring a new office premises for providing better service to its clients and attracting new talent.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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**f. Risk and Concerns**

A prolonged bear market and poor choice of investment and trading positions are the major risk factors.

**g. Internal Control Systems and their Adequacy**

The company has adequate internal control systems and is well capitalized for its scale of operations.

**h. Discussions on Financial Performance with respect to Operational Performance**

During the year, the company completed its plan to acquire a 74 % stake in AEPL. The major portion of the investments and stock in trade was liquidated to purchase shares of AEPL.

**i. Material Development in Human Resources / Industrial Relations Front, including Number of People Employed**

During the year there were no material developments in Human Resources and Industrial Relations.

**j. Material Financial and Commercial Transactions**

During the year, the company completed the acquisition of a 74 % share holding in AEPL.

In the previous year the company had acquired 80,000 shares from the promoters of AEPL at a price of Rs. 130. During the year under review, the company acquired a further 43,700 shares from the promoters at the same price. AEPL also made a fresh issue of 11,75,000 shares at a price of Rs. 130. Post these transactions, the company's present share holding in AEPL is at 12,98,700 shares; which translates into a 74 % stake in the company.

During the previous year, the Company had made a preferential allotment of 28,00,000 warrants at a price of Rs. 33.30 per warrant on 27th May, 2010, as per terms of special resolution passed at the Extra Ordinary General Meeting held on 13th May, 2010. A sum of Rs. 2,33,24,000 being 25% of total price of such warrants was also received in that year.

On 12th August, 2011, company issued shares against conversion of the said the warrants. The balance 75 % of the amount aggregating to Rs. 6,99,72,000 was received which resulted in the paid up capital of the company increasing from Rs. 3,00,32,000 to Rs. 5,80,32,000. The share premium account increased from Rs. Nil to Rs. 6,52, 40,000.

## 16. ACKNOWLEDGMENT

The Board wishes to place on records its appreciation to all its bankers, associates and stakeholders.

**By order of the Board,  
For AXIS CAPITAL MARKETS (INDIA) LIMITED**

Dated : 30<sup>th</sup> May, 2012

Registered Office:  
508, Apeejay House,  
130, Bombay Samachar Marg,  
Mumbai 400 023.

**Dipan Mehta**  
Director

**Radhika Mehta**  
Director

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 31ST MARCH, 2012 (under Clause 49 (VI) (i) of Listing Agreement)

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to strive for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings with shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself the trustee of its Shareholders aims at maximizing shareholders value and protecting interests of other stakeholders

### II. BOARD OF DIRECTORS

#### i) Composition and Category of Directors :

The Board consists of 6 Directors, out of which 2 are Independent Directors. Composition of the Board and category of Directors are as follows:

Name	Executive/Non Executive	Promoter/Independent	Relationship with Directors
Mr. Anil D Mehta	Non Executive Director	Promoter	Husband of Mrs. Vina Mehta
Mr. Dipan Mehta	Non Executive Director	Promoter	Son of Mr. Anil Mehta
Mr. G.B. Desai	Non Executive Chairman	Independent	Not Related to any Director
Mrs. Radhika Mehta	Non Executive Director	Promoter	Wife of Mr. Dipan Mehta
Mrs. Vina Mehta	Non Executive Director	Promoter	Wife of Mr. Anil Mehta
Mr. Dilip Kapadia	Non Executive Director	Independent	Not Related to any Director

#### ii) Attendance of each Director at the Board Meeting and Last Annual General Meeting:

Date of Board Meetings	Anil Mehta	Dipan Mehta	G. B. Desai	Radhika Mehta	Vina Mehta	Dilip Kapadia
26.05.2011	Present	Present	Present	Present	Present	Present
12.08.2011	Present	Present	Present	Present	Present	Present
14.11.2011	Present	Present	Present	Present	Present	Present
14.02.2012	Present	Present	Present	Present	Present	Present
Total Attendance (out of 4 Meetings.)	4	4	4	4	4	4
Attendance at Last AGM (held on 30.07.2011)	Present	Present	Present	Present	Present	Absent

- iii) a. Number of other Companies where the directors (of ACML) hold memberships on the Board of Directors:  
b. Number and Names of Committees in which the Directors (of ACML) hold Memberships or Chairmanships:

## AXIS CAPITAL MARKETS (INDIA) LIMITED

Name of Director	No. of other Companies where Director	Number of Companies and Names of Committees where Directors hold Memberships/Chairmanships			
		Chairman	No.	Member	No.
Mr. Anil D Mehta	0	Nil	0	Nil	0
Mr. Dipan Mehta	0	Nil	0	AC – ACML SIGC – ACML	2
Mr. G.B. Desai	0	AC – ACML SIGC – ACML	2	Nil	0
Ms. Radhika Mehta	0	Nil	0	Nil	0
Ms. Vina Mehta	0	Nil	0	Nil	0
Mr. Dilip Kapadia	0	Nil	0	AC – ACML SIGC – ACML	2

AC – ACML Audit Committee – Axis Capital Markets (India) Limited

SIGC – ACML Shareholders / Investors Grievance Committee – Axis Capital Markets (India) Limited

**Note:** Only Public Limited Companies (Listed and Unlisted) have been taken into consideration while calculating Other Directorships, Committee Memberships and Committee Chairmanships.

#### iv) Code of Conduct:

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2012. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

### III. AUDIT COMMITTEE

The Composition of the Audit Committee and the attendance of the members of Audit Committee at the meetings of the Audit Committee are as follows:

Date of Meeting	G.B. Desai*	Dipan Mehta#	Dilip Kapadia\$
26.05.2011	Present	Present	Present
12.08.2011	Present	Present	Present
14.11.2011	Present	Present	Present
14.02.2012	Present	Present	Present
Total Attendance (out of 4 meetings)	4	4	4

\* Chairman & Non Executive Independent Director

# Member & Non Executive Promoter Director

\$ Member & Non- Executive Independent Director

The Board of Directors of the Company has framed a Terms of Reference for the Audit Committee. The Terms of Reference is based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs its functions in accordance with its terms of reference. In addition, it exercises its powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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### IV. REMUNERATION COMMITTEE

The Company has not constituted a separate remuneration committee that determines the terms of reference and remuneration package for its managerial personnel.

#### Remuneration Policy

- A. The Company does not have any pecuniary relationship or transactions with the non-executive directors.
- B. No directors are drawing any remuneration from the Company. Sitting Fees paid by the Company to the Directors are as follows:

Name of Director	Sitting Fees
Dilip Kapadia	12,000
Govind .B. Desai	12,000

- C. The Company has not issued any stock options or paid any performance linked incentives or fixed component incentives to the Directors.
- D. The Company has not entered into any service contracts with any Directors. However at the Board Meeting held on 30th May, 2012, the Company has appointed Mr. Dipan Mehta as Whole Time Director of the Company w.e.f. 1st June, 2012 for a period of 5 years. The necessary resolution has been placed for the approval of the members of the Company at the 18th Annual General Meeting of the Company in accordance with Section 269 of the Companies Act, 1956.
- E. Equity Shares of Axis Capital Markets (India) Limited held by the Non-Executive Directors is as follows:

Non Executive Directors	No. of shares held as on 31st March, 2012	No. of shares held as on 31st March, 2011
Mr. Anil Mehta	7,28,700	7,28,700
Mr. Dipan Mehta	1,24,100	1,24,100
Ms. Radhika Mehta	20,10,100	10,100
Ms. Vina Mehta	8,49,300	8,49,300
Mr. G.B. Desai	632	632
Mr. Dilip Kapadia	Nil	Nil

### V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

- A) The Composition of the Shareholders/Investors Grievance Committee and their attendance at the Shareholders/Investors Grievance Committee Meetings are as follows:

Date Meeting	G.B. Desai*	Dipan Mehta#	Dilip Kapadia\$
26.05.2011	Present	Present	Present
12.08.2011	Present	Present	Present
14.11.2011	Present	Present	Present
14.02.2012	Present	Present	Present
Total Attendance (out of 4 meetings)	4	4	4

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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\* Chairman & Non Executive Independent Director

# Member & Non Executive Promoter Director

\$ Member & Non- Executive Independent Director

## B. COMPLIANCE OFFICER :

As required by the Listing Agreement, the Company has appointed Mr. Dipan Mehta, Director as the Compliance Officer.

Email address of Compliance Officer is [dipanmehta@vsnl.com](mailto:dipanmehta@vsnl.com)

## C. COMPLAINT STATUS FOR THE YEAR 01/04/2011 TO 31/03/2012

Category	No.of Compl. Received	No.of Compl. Resolved	No.of Compl. Pending
Non Receipt of Credit of Dividend	0	0	0
Non Receipt of Dividend Warrant	1	1	0
Non Receipt of Annual Report	0	0	0
Complaints with SEBI	0	0	0
Complaints with Stock Exchange	0	0	0
Non Receipt of Share Certificates	0	0	0
Non Receipt of Transferred Shares	0	0	0
Total:	1	1	0

## VI. GENERAL BODY MEETINGS

Date, time and venue for the Annual General Meetings and Extra Ordinary General Meeting held during the last 3 financial years and nature of special resolutions passed thereat are given below;

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date	Location	Time
31.03.10	15th AGM	NIL	26.09.09	Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.00 A.M.
31.03.11	EGM	1) Sec 31# 2) Sec 81(1A)\$	13.05.10	Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.00 A.M.
	16th AGM	Sec 372A*	03.07.10	Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.00 A.M.
31.03.12	17th AGM	NIL	30.07.11	Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.00 A.M.

# Special Resolution was passed under Sec 31 of the Companies Act 1956 to seek the consent of the Shareholders to alter the Articles of Association of the Company consequent to increase in authorized share capital of the Company from Rs. 3.5 crores to Rs. 6 crores

\$ Special Resolution was passed under Sec 81(1A) of the Companies Act 1956 and SEBI (Issue of Capital & Disclosure Requirements) Regulation, 2009 to seek the consent of the Shareholders for issue of 28,00,000 (Twenty Eight Lacs) Warrants convertible into Equity Shares of the Company.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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\* Special Resolution was passed under Sec 372A of the Companies Act 1956 to seek the consent of the Shareholders to authorize Board of Directors to invest funds of the Company upto Rs. 20 Crores in M/s Dipan Mehta Share and Stock Brokers Private Limited (Name changed to M/s Axis Equities Private Limited)

### Notes:

- 1) During the financial year, no special resolutions were required to be passed through postal ballot.
- 2) No resolutions are proposed to be passed through postal ballot.

## VII. DISCLOSURES

- i. The Company has not entered into any materially significant related party transactions during the year that may have potential conflict with the interests of the Company at large.
- ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture imposed by the Stock Exchange or any other Statutory Authority, on any matter relating to the capital market over the last three years.
- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2011 – 2012.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

## VIII. MEANS OF COMMUNICATION

- i. **Quarterly Results:** The quarterly financial results of the company (in the format prescribed by the Listing Agreement) are reviewed by Audit Committee and then, approved and taken on record by the Board within the prescribed time frame and immediately send to the Stock Exchange where the shares of the company are listed.

- ii. The quarterly results for the financial year 2011–12 were published in the News Papers. (Details given below):

<b>Quarter</b>	<b>Results Published in</b>
June, 2011	Free Press Journal(English), Navshakti (Marathi)
September, 2011	Free Press Journal(English), Navshakti (Marathi)
December, 2011	Free Press Journal(English), Navshakti (Marathi)
March, 2012	Free Press Journal(English), Navshakti (Marathi)

- iii. **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important, information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.
- iv. All the shareholders are requested to register their e-mail address with M/s. Big Share Services Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by e-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.



# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## IX. GENERAL SHAREHOLDER INFORMATION

<b>AGM Date, Time &amp; Venue</b>	<b>Date</b> : 15th September, 2012 <b>Time</b> : 10-00 a.m. <b>Venue</b> : Ashok Birla Board Room, Indian Merchant Chambers, Churchgate, Mumbai - 400 020.
<b>Financial Year:</b>	1st April to 31st March
<b>Book Closure Date:</b>	10th September, 2012 to 15th September, 2012
<b>Dividend Payment Date:</b>	Not Applicable
<b>Listing on Stock Exchanges:</b>	The Bombay Stock Exchange Limited
<b>Stock Code &amp; Demat Scrip Code (ISIN)</b>	Bombay Stock Exchange Scrip Code: 531278 ISIN: INE 785D01012
<b>Registrar &amp; Transfer Agents</b>	Bigshare Services Private Limited, <b>Address:</b> E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072 <b>Tel:</b> 40430200 <b>Fax:</b> 28525207 <b>E mail:</b> rajshree@bigshareonline.com <b>Website:</b> www.bigshareonline.com

Shareholders / investors are requested to forward share transfer documents, dematerialization request, correspondence regarding change of address, non – receipt of dividend (if declared) or share certificates and other investor related queries to the company’s registrar i.e. Bigshare Services Private Limited at the address mentioned above.

### Share Transfer System and Dematerialization of Shares:

The Company has admitted its shares to the depository system of the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. International Securities Identification Number (ISIN) of the Company is INE 785D01012.

As on March 31, 2012, 57,34,779 (98.83%) of the shares of the Company are dematerialized. All these shares are electronically transferred through the demat facility. The balance 68,421 (1.17%) of shares are in physical mode. The Company has assigned the job of transfer of shares in physical mode to its Registrar and Share Transfer Agent, Bigshare Services Private Limited. The Shareholders and Investors Grievances Committee takes on record all the physical share transfers, request for consolidation / split of shares, etc from time to time.

<b>Transfers Lodged &amp; Transferred</b>	<b>No. of Transfer Deeds Processed</b>	<b>No. of Shares Transferred</b>
1 – 30 days	1	286
30 – 60 days	Nil	Nil
Above 60 days	Nil	Nil
<b>Total</b>	<b>1</b>	<b>286</b>

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## AXIS CAPITAL MARKETS (INDIA) LIMITED

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### Distribution of Shareholding as on 31st March, 2012:

Range (In Rs.)	No. of Shareholders	% to total Shareholders	Total Shareholding (In Rs.)	% to Capital
1 - 5000	1389	88.6407	1706870	2.9413
5001 - 10000	94	5.9987	787530	1.3571
10001 - 20000	36	2.2974	527570	0.9091
20001 - 30000	15	0.9572	370110	0.6378
30001 - 40000	7	0.4467	262090	0.4516
40001 - 50000	8	0.5105	371750	0.6406
50001 - 100000	3	0.1914	231490	0.3989
100001 & Above	15	0.9574	53774590	92.6636
<b>Total</b>	<b>1567</b>	<b>100.00</b>	<b>58032000</b>	<b>100.000</b>

### Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs. The Company had issued 28,00,000 convertible equity warrants at a price of Rs. 33.30 per warrant. At the meeting of the Board of Directors of the Company held on 12th August, 2011 the same have been converted into equity shares of Rs. 10/- each at a premium of Rs. 23.30/- per share. Post conversion, the paid up share capital of the Company is Rs. 5,80,32,000/- (consisting of 58,03,200 equity shares of Rs. 10/- each)

### Consolidation of Folios:

Shareholders are requested to INVARIABLY mention their existing folio number in the column provided in the transfer deed in case they lodge further shares for transfer in the same order of names. Shareholders are also requested to send the share certificates by registered post to the transfer agents of the Company in case they have been allotted more than one folio, in the same order of names. The shares will be consolidated into one folio and the share certificates will be returned by registered post within a week of receipt.

### Nomination Facility:

Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his name. For further details, shareholders may write to the Registrar and Share Transfer Agent of the Company.

### Auditors Certificate on Corporate Governance

The Auditors certificate on compliance of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

**Performance of equity scrip (Closing Prices) of the company in comparison to BSE Sensex(Closing Prices), (Data downloaded from [www.bseindia.com](http://www.bseindia.com))**

## AXIS CAPITAL MARKETS (INDIA) LIMITED



Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2012 (Data downloaded from [www.bseindia.com](http://www.bseindia.com)):

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread(Rs.)	
								H-L	C-O
Apr 11	36.00	43.85	33.05	38.00	21,978	432	9,14,337	10.80	2.00
May 11	38.00	41.50	33.40	36.80	18,014	244	6,89,243	8.10	-1.20
Jun 11	36.05	36.95	31.20	34.55	79,253	168	26,58,156	5.75	-1.50
Jul 11	32.05	40.30	30.00	34.40	31,641	600	11,03,227	10.30	2.35
Aug 11	35.25	37.70	26.10	29.25	18,810	503	5,79,747	11.60	-6.00
Sep 11	33.95	33.95	26.00	27.45	11,109	241	3,20,322	7.95	-6.50
Oct 11	28.10	29.00	22.20	26.00	8,978	241	2,37,111	6.80	-2.10
Nov 11	25.30	28.60	20.00	20.50	23,497	236	5,36,248	8.60	-4.80
Dec 11	21.05	26.55	21.05	23.20	3,665	96	83,584	5.50	2.15
Jan 12	24.30	24.30	21.40	22.45	6,626	103	1,46,755	2.90	-1.85
Feb 12	22.75	25.50	19.60	25.10	13,554	101	3,15,155	5.90	2.35
Mar 12	24.50	24.90	23.50	23.75	5,435	48	1,31,115	1.40	-0.75

\*Spread, H-L: High-Low, C-O: Close-Open

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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### Shareholding Pattern as on 31st March, 2012

Category	No of Shares Held	% of Share Holding
<b>A. Promoter (s) Holding</b>		
Promoter (s)		
- Indian Promoters	41,66,400	71.80
- Foreign Promoters	-	-
<b>Sub - Total (A)</b>	<b>41,66,400</b>	<b>71.80</b>
<b>B. Non-Promoter Holding</b>		
<b>Institutional Investors</b>		
i. Mutual Funds & UTI	-	-
ii. Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non-Govt INST)	-	-
iii. FII (s)	-	-
<b>Others</b>		
i. Private Corporate Bodies	4,95,807	8.54
ii. Indian Public	11,37,233	19.6
iii. NRI/OCBS	3,310	0.06
iv. Clearing Members	450	-
<b>Sub - Total (B)</b>	<b>16,36,800</b>	<b>28.20</b>
<b>TOTAL</b>	<b>58,03,200</b>	<b>100.00</b>

### Plant Location

The activities of the Company are not related to manufacturing or processing etc. Hence the company does not have any plants.

### Registered Office & Correspondence Address

#### Axis Capital Markets (India) Limited

508, Apeejay House, 130, Bombay Samachar Marg,  
Mumbai - 400023. Ph.No: 66365588

**Contact Person: Mr. Dipan Mehta, Compliance Officer**

**Email Address: dipanmehta@vsnl.com**

For **Axis Capital Markets (India) Limited**

**Dipan Mehta**  
**Director**

**Radhika Mehta**  
**Director**

Place: Mumbai

Date: 30th May, 2012

## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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### **Management Certificate on clause 49 (1D) of the Listing Agreement**

To,  
The Members,  
Axis Capital Markets (India) Limited

This is to affirm that the Board of Directors of Axis Capital Markets (India) Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (D) of the Listing Agreement with the Stock Exchange. The Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March, 2012.

**Dipan Mehta**  
**Director**

Place: Mumbai

Date: 30th May, 2012

# **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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## **AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF AXIS CAPITAL MARKETS (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by Axis Capital Markets (India) Limited, for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement and that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

**For P. C. SURANA & CO.  
Chartered Accountants**

Mumbai  
Date : 30<sup>th</sup> May, 2012

**Sunil Bohra**  
Partner  
Membership No. 39761

# **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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## **AUDITORS' REPORT**

**To,  
The Members of  
AXIS CAPITAL MARKETS (INDIA) LIMITED**

We have audited the attached Balance Sheet of Axis Capital Markets (India) Limited, as at 31st March, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report that:-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been maintained by the Company, so far as appears from our examination of those books;
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with in this report are in agreement with the books of account;
4. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with in this Report comply with the requirements of the mandatory Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
5. In our opinion and on the basis of the information and explanations given to us and on the basis of the written representations received from the Directors and taken on record, none of the company's directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with the Significant Accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
  - b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies (Auditors Report) order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of our audit, we

## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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further state on the matters specified in paragraph 4 and 5 of the said Order that;

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed of any of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a) We are informed that the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory, and no discrepancies has been noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
  - a) The Company has not given any loan during the year to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (a); (iii) (b); (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable.
  - b) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The loan taken from a director in earlier years has been repaid during the year and in respect of such loan, the maximum amount payable at any time during the year was Rs.76.73 lakhs and the year end balance is Rs. Nil.
  - c) In our opinion, and according to the information and explanations given to us, the rate of interest and other terms and conditions were not prejudicial to the interest of the Company.
  - d) The principal amount of the loan was repayable on demand and interest, if any, was also payable on demand.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:



## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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- a) In our opinion and according to the information given to us, the transaction made in pursuance of contracts or arrangement that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clauses (vi) of paragraph 4 of the Order are not applicable.
  7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
  8. The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of business activities carried out by the Company.
  9. a) According to the records of the Company, and the information and explanations given to us undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' state Insurance, income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable. We are informed that there are no liabilities towards Investor Education and Protection Fund for the year under audit.  
b) According to the information and explanations given to us, the Company does not have any dues in respect of Sales Tax, Customs Duty, Income tax and Wealth Tax. Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of any dispute.
  10. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year covered by the audit and in the immediately preceding financial year.
  11. The Company has neither taken any loans from a financial institution or a bank nor issued any debentures. Therefore, the provisions of Clauses (xi) of paragraph 4 of the Order are not applicable.
  12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, Clause 4(xiii) of the Order is not applicable to the Company.
  14. According to the information and explanations given to us the Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investment and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
  15. According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions. Accordingly, Clause 4(xv) of the Order is not applicable.
  16. The Company has not raised any term loans during the year. Accordingly, Clause 4 (xvi) of the Order is not applicable.

## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. However the Company has allotted 20,00,000 Equity Shares of Rs. 10 each to one such party on exercise of option of conversion of fully convertible Equity Share Warrants issued Preferentially in earlier years.
19. The Company has not issued any Debentures. Accordingly, Clause 4(xix) of the Order is not applicable.
20. The Company has not raised any money by way of public issues during the year. Accordingly, Clause 4(xx) of the Order is not applicable.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **P. C. Surana & Co.**,  
Chartered Accountants

Place : Mumbai  
Date : 30th May 2012

Sunil Bohra  
Partner  
Membership No. 39761

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>I) EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	58,032,000	30,032,000
b) Reserves & Surplus	3	121,050,223	48,673,110
c) Money received against Share Warrants		-	23,324,000
		<u>179,082,223</u>	<u>102,029,110</u>
<b>2) Non -Current Liabilities</b>			
a) Deferred tax liabilities (Net) Related to Fixed Assets		398,247	433,310
		<u>398,247</u>	<u>433,310</u>
<b>3) Current Liabilities</b>			
a) Short-term borrowings	4	-	7,232,082
b) Trade Payables		30,286	24,817
c) Other current liabilities	5	235,382	1,704,017
		<u>265,668</u>	<u>8,960,916</u>
	<b>TOTAL</b>	<u>179,746,138</u>	<u>111,423,336</u>
<b>II) ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Fixed Assets			
b) Tangible Assets	6	1,756,058	1,823,702
c) Non-current Investments	7	175,295,341	17,152,470
d) Other Non-Current Assets	8	258,432	42,734,818
		<u>177,309,830</u>	<u>61,710,990</u>
<b>2) Current Assets</b>			
a) Inventories		-	48,017,301
b) Trade Receivables		-	180,509
c) Cash and Cash equivalents		2,284,052	1,514,537
d) Short term Loans and Advances		152,256	-
		<u>2,436,308</u>	<u>49,712,346</u>
	<b>TOTAL</b>	<u>179,746,138</u>	<u>111,423,336</u>
Significant Accounting Policies	1		
Other Notes on Accounts	16 to 23		

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
Partner

**Dipan Mehta**  
Director

**Radhika Mehta**  
Director

Place : Mumbai  
Date : 30th May, 2012

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the Year ended March 31, 2012 Rs.	(Amt. in Rupees) For the Year ended March 31, 2011 Rs.
I) Revenue from Operations	10	3,160,927	4,911,884
II) Other Income	11	6,410,940	5,409,936
III) <b>Total Revenue (I) + (II)</b>		<b>9,571,867</b>	<b>10,321,820</b>
IV) <b>EXPENSES</b>			
Finance Costs	12	-	110
Depreciation and amortization expenses	13	143,895	115,217
Other expenses	14	556,574	596,013
<b>Total Expenses</b>		<b>700,469</b>	<b>711,341</b>
V) Profit before tax (III-IV)		8,871,398	9,610,480
VI) <b>Tax Expenses:</b>			
(1) Current tax		(1,769,348)	(2,274,102)
(2) Deferred tax		35,063	3,591
(3) Adjustment in Taxation in earlier years		-	(160,946)
		<b>(1,734,285)</b>	<b>(2,431,457)</b>
VII) <b>Profit for the Year</b>		<b>7,137,113</b>	<b>7,179,023</b>
VIII) <b>Earning Per equity Share</b>	15		
1. Basic		1.51	2.39
2. Diluted		1.51	1.24
<b>Significant Accounting Policies</b>	1		
<b>Other Notes on Accounts</b>	16 to 23		

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
Partner

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

Place : Mumbai  
Date : 30th May, 2012

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year Ended on March 31, 2012	For the year Ended on March 31, 2011
<b>A. Cash Flow From Operating Activities</b>		
<b>Net Profit before Tax as per Profit and Loss Statement</b>	<b>8,871,398</b>	9,610,480
Adjusted for:		
Depreciation & Amortisation	143,895	115,217
Share Warrant Expenses W/off		
Dividend and Interest Income	<b>(123,967)</b>	(768,033)
Profit on Sale of Investment	<b>(6,286,973)</b>	(4,641,903)
<b>Operating Profit before Working Capital Changes</b>	<b>2,604,353</b>	4,315,761
Adjusted for Working Capital changes		
(Increase) / Decrease in Trade and Other Receivables	<b>180,509</b>	7,319,491
(Increase) / Decrease in Stock in Trade	<b>48,017,301</b>	2,673,891
(Increase) / Decrease in Trade and Other Payables	<b>2,955</b>	(46,326)
<b>Net Cash generated from Working Capital changes</b>	<b>48,200,765</b>	9,947,056
<b>Cash Flow from Operating Activities</b>	<b>50,805,117</b>	14,262,817
Direct Taxes paid	<b>(3,387,725)</b>	(1,898,014)
<b>Net Cash Flow from Operating Activities - (A)</b>	<b>47,417,392</b>	12,364,803
<b>B. Cash Flow from Investing Activities</b>		
Dividend and Interest Income	<b>123,967</b>	768,033
Application Money /Investment in Equity Shares of Subsidiary Company	<b>(115,896,688)</b>	(42,548,525)
(Purchase) / Sale of Investments (net)	<b>6,589,316</b>	79,516
<b>Net Cash Flow from Investing Activities - (B)</b>	<b>(109,183,405)</b>	(41,700,976)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from allotment of Equity Shares against Share Warrants	<b>69,916,000</b>	23,324,000
Proceeds from Borrowings	<b>(7,232,082)</b>	7,232,082
Share Warrant Expenses	<b>(148,390)</b>	(232,866)
<b>Net Cash Flow from Financing Activities - (C)</b>	<b>62,535,528</b>	30,323,216
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>769,515</b>	987,043
Opening Balance of Cash and Cash Equivalents	<b>1,514,537</b>	527,494
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>2,284,052</b>	1,514,537

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
 Partner

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

Place : Mumbai  
 Date : 30th May, 2012

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION

The financial Statements are prepared complying all the material aspects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

#### 1.2 METHOD OF ACCOUNTING AND REVENUE RECOGNITION

The Company follows the mercantile system of accounting and recognizes incomes and expenditures on accrual basis. The accounts are prepared on historical cost basis, as a going concern, and are consistent with accounting principles generally accepted in India. Dividend income is recognised for when the right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

#### 1.3 FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation on additions to/deduction from fixed assets is provided on pro-rata basis from/to the date of acquisition/disposal. Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in the Schedule XIV to the Companies Act, 1956.

#### 1.4 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long-term investments are carried at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

#### 1.5 STOCKS IN TRADE

Stocks in trade consist of shares and securities and are valued at lower of cost and net realisable market value.

#### 1.6 TAXATION

Provision for tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of "timing differences" between taxable and accounting income is accounted for using the currently enacted tax rates and tax laws. Deferred Tax Assets are recognized, only if there is a virtual certainty that they will be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

#### 1.7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation as a result of past events and is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>2 Share Capital</b>		
<b>(a) Authorised</b>		
60,00,000 (Previous year-35,00,000) Equity Shares of Rs. 10 each	<b>60,000,000</b>	35,000,000
	<b>60,000,000</b>	35,000,000
<b>(b) Issued, Subscribed &amp; Fully paid up:</b>		
58,03,200 (Previous year - 30,03,200) Equity Shares of Rs. 10 each fully paid up	<b>58,032,000</b>	30,032,000
	<b>58,032,000</b>	30,032,000
<b>(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the year</b>		
<b>Equity Shares</b>		
No. of the Equity shares at the beginning of the year	<b>3,003,200</b>	3,003,200
Add: Shares issued on conversion of share warrants	<b>2,800,000</b>	-
Equity shares at the end of the year	<b>5,803,200</b>	3,003,200
<b>(d) The details of Shareholders holding more than 5% of the issued shares:</b>	<b>No. of Shares (%)</b>	<b>No. of Shares (%)</b>
Ms. Radhika Mehta	<b>2,010,100 (34.64)</b>	10,100 (0.34)
Ms. Vina Mehta	<b>849,300 (14.64)</b>	849,300 (28.28)
Mr. Anil Mehta	<b>728,700 (12.56)</b>	728,700 (24.26)
Mr. Tapan Mehta	<b>424,800 (7.32)</b>	424,800 (14.14)
Ms. Bhavana Desai	<b>500,000 (8.62)</b>	Nil
M/s Sudarshan Securities Pvt. Ltd.	<b>400,000 (6.89)</b>	100,000 (3.33)
<b>(e) The Company allotted 28,00,000 equity shares of Rs. 10 each at a premium of Rs. 23.30 per share on 12th August 2011 against conversion of 28,00,000 Fully Convertible Share Warrants. The said shares have been listed at the Bombay Stock Exchange Limited (BSE).</b>		

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>3 Reserves &amp; Surplus</b>		
(a) <b>Securities Premium Account</b>		
Balance as per last Balance Sheet	-	-
Add : Received During the Year	65,240,000	-
	<u>65,240,000</u>	<u>-</u>
(b) <b>General Reserve</b>		
Balance as per last Balance Sheet	7,812,000	7,812,000
(c) <b>Profit and Loss Account</b>		
Balance as per last Balance Sheet	40,861,110	33,682,087
Add : Profit for the year	7,137,113	7,179,023
	<u>47,998,223</u>	<u>40,861,110</u>
<b>Total Reserves &amp; Surplus</b>	<u>121,050,223</u>	<u>48,673,110</u>
<b>4 Short Term Borrowings</b>		
Unsecured		
Loans & Advances from Related Parties	-	7,232,082
	<u>-</u>	<u>7,232,082</u>
<b>5 Other Current Liabilities</b>		
a) Tds Payable	244	2,758
b) Unclaimed Dividend	235,138	235,138
c) Provision for Taxes ( Net of taxes paid)	-	1,466,121
	<u>235,382</u>	<u>1,704,017</u>



## AXIS CAPITAL MARKETS (INDIA) LIMITED

### 6. Fixed Assets Tangible Assets

DESCRIPTION	Gross Block				Depreciation				Net Carrying Value	
	As at 01.04.2011	Additions	Deletations	As at 31.03.2012	Up to 31.03.2011	Depreciation For the year	Adjust- ments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
OFFICE PREMISES	2,378,300			2,378,300	597,583	38,760		636,343	1,741,957	1,780,717
FURNITURE & FITTINGS	430,509			430,509	401,087	26,820.00	-	427,907	2,602	29,422
COMPUTERS	541,351			541,351	541,350		-	541,350	-	-
AIR CONDITIONER	43,500			43,500	29,938	2,064.00	-	32,002	11,498	13,562
<b>Total</b>	<b>3,393,660</b>	-	-	<b>3,393,660</b>	<b>1,569,958</b>	<b>67,644</b>	-	<b>1,637,602</b>	<b>1,756,058</b>	<b>1,823,702</b>
Previous year	3,393,660	-	-	3,393,660	1,501,314	68,644	-	1,569,958	1,823,702	1,892,346

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>7 Non-Current Investments</b>		
<b>1. Trade Investments (Long Term &amp; at Cost)</b>		
<b>In Equity Shares (Unquoted)</b>		
a) Investment in Subsidiary Company		
12,98,700 (Previous year - 80,000) - Fully paid up Equity Shares of Rs.10/- each in Axis Equities Pvt Ltd	<u>168,845,213</u>	<u>10,400,000</u>
	<u>168,845,213</u>	<u>10,400,000</u>
<b>2. Non - Trade Investments (Long Term &amp; at Cost)</b>		
<b>In Equity Shares (Quoted)</b>		
10,000 (Previous Year - 10,000) 3i Infotech Ltd.	1,186,384	1,186,384
4,000 (Previous Year - 4,000) Bharati Shipyard Ltd.	662,015	662,015
Nil (Previous Year - 8,000) Compact Disc Ltd.	-	280,370
4,000 (Previous Year - 13,800) Jindal Steel & Power Ltd.	-	-
1,000 (Previous Year - 1,000) Larsen & Toubro Ltd.	-	-
5,600 (Previous Year - 5,600) Magnum Intermediates Ltd.	112,560	112,560
6,000 (Previous Year - 6,000) Mphasis Ltd.	1,167,020	1,167,020
Nil (Previous Year - 88) Network 18 - Preference	-	17,600
Nil (Previous Year - 176) Network 18 Media & Investments Ltd.	-	4,373
100 (Previous Year - 100) Orisa Extrusion Ltd.	549	549
500 (Previous Year - 500) Omega Industries Ltd.	65,350	65,350
200 (Previous Year - 200) Pantaloon Retail (India) Ltd. Class B Sr-1	-	-
2,000 (Previous Year - 2,000) Tech Mahindra Ltd.	3,246,199	3,246,199
1,000 (Previous Year - 1,000) Varun Seacon Ltd.	10,050	10,050
	<u>6,450,128</u>	<u>6,752,470</u>
<b>Total Non-current Investments</b>	<u>175,295,341</u>	<u>17,152,470</u>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>Notes :</b>		
1. Aggregate market value of quoted Investments	7,740,210	7,431,680
2. Aggregate cost of quoted Investments	6,450,128	6,752,470
3. Aggregate value of Unquoted Investments	168,845,213	10,400,000
4. During the year the Company had applied and been allotted 11,75,000 Equity Shares of Rs. 10 each, fully paid at a premium of Rs.120 Per Share of Axis Equities Private Limited (AEPL). In addition to this, the Company purchased 43,700 Equity Shares at a price of Rs. 130 per share from the director, Dipan Mehta. With these purchases, the investment of the company in AEPL aggregated to 12,98,700 Equity Shares which represents 74% of total paid up Equity Share capital of AEPL. Accordingly AEPL has become the subsidiary of the company with effect from 26th December 2011. AEPL is holding (i) 1,000 Equity shares of 100 each fully paid of Axis Wealth Management Private Limited (AWMPL) representing 99.80% of total paid up Equity Share capital of AWMPL and (ii) 69,900 Equity shares of 100 each fully paid of Dipan Mehta Commodities Private Limited (DMCPL) representing 98.57% of total paid up Equity Share capital of DMCPL. Accordingly AWMPL and DMCPL have also become the subsidiaries of the company with effect from 26th December 2011.		
<b>8 Other Non Current Assets</b>		
Preliminary Expenses	258,432	186,293
Share Application Money	-	42,548,525
	<u>258,432</u>	<u>42,734,818</u>
<b>9 Current Assets</b>		
<b>[a] Inventories (At cost, except otherwise stated)</b> (As valued & certified by the Management)		
i) Stock in Trade	-	48,017,301
	-	48,017,301
<b>[b] Trade Receivables</b> (Unsecured, Considered good)		
Over Six months	-	111,822
Others	-	68,687
	-	180,509
<b>[c] Cash and Cash Equivalents</b>		
i) Balances with Bank		
In Current Accounts	1,971,801	1,202,286
In Unclaimed Dividend Accounts	235,138	235,138
ii) Cash on hand	77,113	77,113
	<u>2,284,052</u>	<u>1,514,537</u>
<b>[d] Short Term Loans and Advances</b> (Unsecured and considered good)		
Advance Income Tax (Net of Provisions)	152,256	-
	<u>152,256</u>	<u>-</u>
<b>Total Current Assets</b>	<u>2,436,308</u>	<u>49,712,346</u>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	For the year Ended March 31, 2012	For the year Ended March 31, 2011
<b>10 Revenue from Operations</b>		
Share Trading Income	<u>3,160,927</u>	<u>4,911,884</u>
	<u>3,160,927</u>	<u>4,911,884</u>
<b>11 Other Income</b>		
Dividend	123,967	768,033
Net profit on Sale of Investments	<u>6,286,973</u>	<u>4,641,903</u>
	<u>6,410,940</u>	<u>5,409,936</u>
<b>12 Finance Cost</b>		
Bank Charges	-	110
	-	110
<b>13 Depreciation &amp; Amortization Expenses</b>		
Depreciation of Tangible Assets	67,644	68,644
Amortization of Share Issue Expenses	<u>76,251</u>	<u>46,573</u>
	<u>143,895</u>	<u>115,217</u>
<b>14 Other Expenses</b>		
Communication and Connectivity Charges	11,619	21,557
Demat Charges	-	2,250
Directors' Sitting Fees	24,000	24,000
Legal & Professional Fees	317,714	341,339
Miscellaneous Expenses	98,135	111,519
Payment to Auditors	28,090	38,605
Printing & Stationery	18,900	23,363
Power & Fuel	2,784	2,965
Rates & Taxes	6,730	2,000
Repairs & Maintenance	-	4,150
Stock Exchange Charges and SEBI Fees	<u>48,602</u>	<u>24,266</u>
	<u>556,574</u>	<u>596,013</u>
<b>15 Earnings Per Share (EPS)</b>		
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders for calculating basic and diluted EPS	7,137,113	7,179,023
ii) Weighted Average number of Equity Shares in calculating Basic EPS	4,729,227	3,003,200
<b>Effect of Dilution</b>		
Weighted Average number of Equity Shares as above	4,729,227	3,003,200
Add: Convertible Share-warrants	-	2,800,000
iii) Weighted Average number of Equity Shares in calculating Diluted EPS	4,729,227	5,803,200
iv) Basic EPS [(i)/ii] )	1.51	2.39
v) Diluted EPS [(i)/iii]	1.51	1.24
vi) Face value per Equity Share	10.00	10.00

## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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	<b>For the year Ended March 31, 2012</b>	For the year Ended March 31, 2011
<b>16 Contingent Liabilities</b>	<b>Nil</b>	Nil
<b>17 Payment to Auditors as:</b>		
i) Statutory Audit Fees	<b>28,030</b>	27,575
ii) Taxation Matters	<b>-</b>	11,030
	<b><u>28,030</u></b>	<b><u>38,605</u></b>
<b>18 Value of Imports on .C.I.F. Basis</b>	<b>Nil</b>	Nil
<b>19 Expenditure in Foreign Currency</b>	<b>Nil</b>	Nil
<b>20 Earnings in Foreign Currency</b>	<b>Nil</b>	Nil
<b>21 Segment Reporting (AS-17)</b>		
As the company's business activity fall within a single and primary business segment viz. trading and investment in shares and securities, the segment wise reporting in terms of Accounting Standard [AS 17] issued by the Institute of Chartered Accountants of India is not applicable.		
<b>22 Related party disclosures for the year ended March 31, 2012 pursuant to Accounting Standard AS-18</b>		
[1] Related Party and their relationship		
Subsidiary Companies		
Axis Equities Pvt. Ltd.		
Dipan Mehta Commodities Pvt. Ltd.		
Axis Wealth Management Pvt. Ltd		
Key Management Personnel and their relatives		
Mrs. Radhika Mehta		
Mr. Dipan Mehta		

## AXIS CAPITAL MARKETS (INDIA) LIMITED

[2] Nature of Transaction	Subsidiary Companies	Key Management Personnel
a) Brokerage paid to	7,255 (884,720)	Nil (Nil)
b) Loans Given to	1,050,000 (180,509)	
c) Loans Received from	Nil (Nil)	3,850,000 (8,375,000)
d) Loans Repaid by	1,230,509 [Nil]	
e) Loans Repaid to	Nil (Nil)	11,082,082 (1,142,918)
f) Purchase of Shares from	Nil (Nil)	5,681,000 (Nil)
g) Investment in Equity of Subsidiary	158,445,213 (Nil)	Nil (Nil)
[3] Balances as at 31st March 2012		
a) Loan Accounts Payable	Nil (Nil)	Nil (7,232,082)
b) Loan Accounts Receivable	Nil (180,509)	Nil (Nil)
c) Investment in Equity of Subsidiary	168,845,213 (10,400,000)	Nil (Nil)

( Figures in the brackets are of Previous Year)

23 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
 Partner

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

Place : Mumbai  
 Date : 30th May, 2012

# **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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## **AUDITORS' REPORT**

**To,  
The Members of  
AXIS CAPITAL MARKETS (INDIA) LIMITED**

We have audited the attached Consolidated Balance Sheet of Axis Capital Markets (India) Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial information and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have audited all the subsidiaries of the Company whose Financial Statements have been consolidated.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid, and on consideration of the separate audit reports on the individual financial statements of the Company and its subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
  - b. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
  - c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For P. C. SURANA & CO.**  
**Chartered Accountants**  
(Registration No. 110631W)

Mumbai  
Date : 30<sup>th</sup> May, 2012

**Sunil Bohra**  
Partner  
Membership No. 39761

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.		As at March 31, 2012
<b>I) EQUITY &amp; LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	57,741,000	
b) Reserves & Surplus	3	<u>133,986,068</u>	
			<b>191,727,068</b>
<b>2) Share application money pending allotment</b>			-
<b>3) Minority Interest</b>			<b>125,001,796</b>
<b>4) Non -Current Liabilities</b>			
a) Deferred tax liabilities (Net) Related to fixed assets			-
<b>5) Current Liabilities</b>			
a) Short-term borrowings	4	997,453	
b) Trade payables		8,590,372	
c) Other current liabilities	5	<u>248,090</u>	
			<b>9,835,915</b>
<b>TOTAL</b>			<b><u>326,564,779</u></b>
<b>II) ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	6	42,803,050	
ii) Intangible Assets	6	904,457	
iii) Capital Work-in-Progress		640,148	
iv) Intangible Assets under development		-	
v) Goodwill on Consolidation		108,186,021	
b) Non-current Investments	7	26,369,053	
c) Deferred tax assets (net)	8	4,413,617	
d) Long-term Loans and Advances	9	21,649,603	
e) Other Non-Current Assets	10	<u>330,540</u>	
			<b>205,296,489</b>
<b>2) Current Assets</b>	<b>11</b>		
a) Inventories		85,984,814	
b) Trade Receivables		842,254	
c) Cash and Cash equivalents		30,721,687	
d) Short-term loans and advances		2,736,557	
e) Other current assets		<u>982,979</u>	
			<b>121,268,290</b>
<b>TOTAL</b>			<b><u>326,564,779</u></b>
Significant Accounting Policies	1		
Other Notes on Accounts	19 to 28		

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
 Partner

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

Place : Mumbai  
 Date : 30th May, 2012



# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Rs.	(Amt. in Rupees) Year ended March 31, 2012 Rs.
I) Revenue from Operations	12	9,813,924	
II) Other operating Income	13	9,087,467	
III) <b>Total Revenue (I) + (II)</b>			<b>18,901,391</b>
<b>IV) EXPENSES</b>			
Employee benefits expenses	14	1,155,193	
Finance Costs	15	423,968	
Depreciation and amortization expenses	16	1,269,263	
Other expenses	17	11,852,839	
<b>Total Expenses</b>			<b>14,701,263</b>
V) Profit before tax (III-IV)			<b>4,200,129</b>
<b>VI) Tax Expenses :</b>			
(1) Current tax		(1,769,475)	
(2) Deferred tax		35,063	
(3) Adjustment in Taxation in earlier years		(1,088,038)	
			<b>(2,822,450)</b>
VII) <b>Profit for the year before adjustment for Minority Interest</b>			<b>1,377,679</b>
VIII) Add : Share of Loss transferred to Minority Interest			<b>3,546,470</b>
IX) <b>Profit for the Year</b>			<b>4,924,149</b>
X) <b>Earning Per equity Share of face value of Rs.10 each</b>	18		
Basic and Diluted			<b>1.05</b>
<b>Significant Accounting Policies</b>	1		
<b>Other Notes on Accounts</b>	19 to 28		

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
Partner

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

Place : Mumbai  
Date : 30th May, 2012

## **NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

### **1 SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 BASIS OF CONSOLIDATION**

The Consolidated Financial Statement (CFS) relate to Axis Capital Market (India) Limited and its subsidiary companies (collectively, the Group). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line- by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS-21)-"Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- b) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Profit And Loss account being the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the share-holders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Company's shareholders.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements

#### **1.2 BASIS OF PREPARATION**

The financial Statements are prepared complying all the material aspects with the Notified Accounting Standards by Companies (Accounting Standards) Ruls,2006 and the relevant provisions of the Companies Act,1956.

#### **1.3 METHOD OF ACCOUNTING AND REVENUE RECOGNITION**

The Company follows the mercantile system of accounting and recognizes incomes and expenditures on accrual basis.

The accounts are prepared on historical cost basis, as a going concern, and are consistent with accounting principles generally accepted in India.

Dividend income is recognised for when the right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## 1.4 FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation on additions to/deduction from fixed assets is provided on pro-rata basis from/to the date of acquisition/disposal.

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in the Schedule XIV to the Companies Act, 1956.

In the case of one of the Subsidiaries, having maximum amount of depreciable Fixed Assets, depreciation is charged on Written Down Value Method at the rates prescribed in the Income Tax Act, 1961.

## 1.5 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

## 1.6 STOCKS IN TRADE

Stocks in trade consist of shares and securities and are valued at lower of cost and net realisable market value.

## 1.7 TAXATION

Provision for tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws.

Deferred tax arising on account of "timing differences" between taxable and accounting income is accounted for using the currently enacted tax rates and tax laws.

Deferred Tax Assets are recognized, only if there is a virtual certainty that they will be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

## 1.8 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation as a result of past events and is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

## 1.9 EMPLOYEES BENEFITS

Provident Fund is treated as contribution plan. Contribution is made to Regional Provident Commissioner (RPFC) in respect of employees of the Group.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at March 31, 2012 Rs.
<b>2 Share Capital</b>	
(a) <b>Authorised</b>	
Equity Shares	
60,00,000 Equity Shares of Rs. 10 each	<u>60,000,000</u>
	<u>60,000,000</u>
(b) <b>Issued, Subscribed &amp; Fully paid up</b>	
Equity Shares	
57,74,100 Equity Shares of Rs. 10 each fully paid up	<u>57,741,000</u>
	<u>57,741,000</u>
(c) <b>Reconciliation of the number of shares outstanding at the beginning and at the end of the year</b>	
<b>Equity Shares</b>	
No. of the Equity shares at the beginning of the year	2,974,100
Add: Shares issued on conversion of share warrants	<u>2,800,000</u>
Equity shares at the end of the year	<u>5,774,100</u>
<b>3 Reserves and Surplus</b>	
(a) <b>Capital Redemption Reserve</b>	
Balance as per last Balance sheet	1,454,101
(b) <b>Securities Premium Account</b>	
Balance as per last Balance sheet	-
Add: Received during the year	<u>65,240,000</u>
	<u>65,240,000</u>
(c) <b>General Reserve</b>	
Balance as per last Balance sheet	7,812,000
(d) <b>Profit and Loss Account</b>	
Balance as per last Balance sheet	54,555,819
Add : Profit for year	<u>4,924,149</u>
	<u>59,479,967</u>
<b>Total Reserves &amp; Surplus</b>	<u>133,986,068</u>
<b>4 Short Term Borrowings</b>	
(a) <b>Secured</b>	
Overdraft From Banks	997,453
Secured against Bank Balances and personally guaranteed by a Director	
(b) <b>Unsecured</b>	
Loans & Advances from Related Parties	-
	<u>997,453</u>
<b>5 Other Current Liabilities</b>	
a) Trade Deposits	-
b) Tds Payable	12,952
c) Unclaimed Dividends	235,138
d) Provision for Taxes ( Net of taxes paid)	-
f) Other Payables	-
	<u>248,090</u>

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## 6. Fixed Assets

DESCRIPTION	Gross Block				Depreciation				Net Carrying Value	
	As at 01.04.2011	Additions	Deletation	As at 31.03.2012	Up to 31.03.2011	Depreciation For the year	Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets:</b>										
OFFICE PREMISES	2,378,300	37,732,216		40,110,516	597,583	38,760		636,343	39,474,173	1,780,717
FURNITURE & FITTINGS	2,574,192			2,574,192	1,148,049	166,492	-	1,314,541	1,259,651	1,426,143
ELECTRIC INSTALLATION	235,242			235,242	57,171	17,807	-	74,978	160,264	178,071
COMPUTERS	9,104,015	90,250		9,194,265	8,233,895	560,547	-	8,794,442	399,823	870,120
AIR CONDITIONER	743,006			743,006	428,706	47,175	-	475,881	267,125	314,300
OFFICE EQUIPMENTS	126,930			126,930	84,173	6,414	-	90,587	36,343	42,757
VEHICLES	3,203,623		-	3,203,623	1,785,186	212,766	-	1,997,952	1,205,671	1,418,437
<b>Total Tangible Assets</b>	<b>18,365,308</b>	<b>37,822,466</b>	-	<b>56,187,774</b>	<b>12,334,763</b>	<b>1,049,961</b>	-	<b>13,384,724</b>	<b>42,803,050</b>	<b>6,030,545</b>
<b>Intangible Assets:</b>										
BSE DERIVATIVES MEMBERSHIP	325,000	-	-	325,000	-	-	-	-	325,000	325,000
XL RESULTS FOUNDATION	369,909	-	-	369,909	-	-	-	-	369,909	369,909
CLUB MAHINDRA TIME SAHRE	198,495	-	-	198,495	55,580	7,940	-	63,520	134,975	142,915
COMPUTER SOFTWARE	1,725,424	-	-	1,725,424	1,538,992	111,859	-	1,650,851	74,573	186,432
<b>Total Intangible Assets</b>	<b>2,618,828</b>	-	-	<b>2,618,828</b>	<b>1,594,572</b>	<b>119,799</b>	-	<b>1,714,371</b>	<b>904,457</b>	<b>1,024,256</b>
<b>Total Fixed Assets</b>	<b>20,984,136</b>	<b>37,822,466</b>	-	<b>58,806,602</b>	<b>13,929,335</b>	<b>1,169,760</b>	-	<b>15,099,095</b>	<b>43,707,507</b>	<b>7,054,801</b>
Previous year	19,418,808	1,999,158	433,830	20,984,136	12,198,305	1,731,030	-	13,929,335	7,054,801	

# AXIS CAPITAL MARKETS (INDIA) LIMITED

As at  
March 31, 2012  
Rs.

## 7 Non-Current Investments

### 1. Non - Trade Investments (Long Term & at Cost)

#### In Equity Shares (Unquoted)

##### a) Investment in Other Companies

70,694 (Previous Year - 70,694) - Fully paid up Equity Shares  
of Rs.10/- each in BSE Ltd

**7,074,838**

### 2. Non - Trade Investments (Long Term & at Cost)

#### In Equity Shares (Quoted)

66 (Previous Year - 66) Autolite India Ltd.	396
2501 (Previous Year - 2501) Bharti Shipyard Ltd.	1,268,007
Nil (Previous Year - 1718) Celestial Labs Ltd.	-
900 (Previous Year - 900) Coal India Limited	220,500
20000 (Previous Year - 20000) Deccan Chronicle Holdings Ltd.	2,963,650
2045 (Previous Year - Nil) EIH Ltd	134,970
3650 (Previous Year - 3650) Geodinfo Sys	417,555
1600 (Previous Year - 1600) Larsen & Toubro Ltd.	2,960,377
Nil (Previous Year - 170) MOIL Ltd	-
4000 (Previous Year - 4000) Mphasis Ltd	2,761,253
2915 (Previous Year - 2915) Patel Engineering Co. Ltd.	1,210,203
3493 (Previous Year - 3493) Power Grid Corporation Ltd.	314,370
100 (Previous Year - 100) Samtel Color Ltd.	9,963
9855 (Previous Year - 9855) Suzlon Energy Ltd.	581,695
100 (Previous Year - 100) Tata Metalik Ltd.	1,150
10000 (Previous Year - 10000) 3i Infotech Ltd.	1,186,384
4000 (Previous Year - 4000) Bharati Shipyard Ltd.	662,015
Nil (Previous Year - 8000) Compact Disc Ltd.	-
4000 (Previous Year - 13800) Jindal Steel & Power Ltd.	-
1000 (Previous Year - 1000) Larsen & Toubro Ltd.	-
5600 (Previous Year - 5600) Magnum Intermediates Ltd.	112,560
6000 (Previous Year - 6000) Mphasis Ltd.	1,167,020
Nil (Previous Year - 88) Network 18 - Preferential	-
Nil (Previous Year - 176) Network 18 Media & Investments Ltd.	-
100 (Previous Year - 100) Orisa Extrusion Ltd .	549
500 (Previous Year- 500) Omega Industries Ltd .	65,350
200 (Previous Year - 200) Pantaloon Retail Ltd.	-
2000 (Previous Year - 2000) Tech Mahindra Ltd.	3,246,199
1000 (Previous Year - 1000) Varun Seacon Ltd.	10,050

#### Total Non-current Investments

**19,294,215**

**26,369,053**

## AXIS CAPITAL MARKETS (INDIA) LIMITED

		As at March 31, 2012 Rs.
<b>Notes :</b>		
1. Aggregate market value of quoted Investments		14,647,986
2. Aggregate cost of quoted Investments		19,294,215
3. Aggregate value of Unquoted Investments		7,074,838
<b>8 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Assets</b>		
Carried Forward of Losses of subsidiaries		4,811,864
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets		398,247
		4,413,617
<b>9 Long-term Loans and Advances (Unsecured, considered good)</b>		
Deposits#		20,239,603
Margin with SHCIL		1,410,000
		21,649,603
# Includes Rs.50 lakhs (Previous year Rs.50 lakhs) relating to Deposit with a related party.		
<b>10 Other Non Current Assets</b>		
Preliminary Expenses (to the extent not written off or adjusted)		330,540
		330,540
<b>11 Current Assets</b>		
a) <b>Inventories (At cost, except otherwise stated) (As valued &amp; certified by the Management)</b>		
i) Stock in Trade		85,984,814
b) <b>Trade Receivables</b> (Unsecured, considered good)		
Over Six months	550,340	
Others	291,914	842,254
		842,254
c) <b>Cash and Cash Equivalents</b>		
i) Balances with Bank		
In Current Accounts	13,263,423	
In Fixed Deposit Accounts	16,850,000	
Accrued Interest on Fixed Deposit Accounts	322,898	
ii) Cash on hand	285,366	30,721,687
		30,721,687
d) <b>Short-term Loans and Advances</b> (Unsecured, considered good)		
Advances Recoverable in Cash or In Kind	457,007	
Loan To Staff	512,432	
Advance Income- tax (Net of Provision)	767,118	
Advances to Related Parties	1,000,000	2,736,557
		2,736,557
e) <b>Other Current Assets</b>		
Pre Paid Expenses		982,979
<b>Total Current Assets</b>		121,268,290

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	For the year Ended on March 31, 2012
<b>12 Revenue from Operations</b>	
Brokerage Income	3,478,531
Share Trading Profits	5,948,287
Commodity Trading Loss	(27,327)
Portfolio Management Fees	414,433
	<u>9,813,924</u>
<b>13 Other operating Income</b>	
Interest income	1,468,587
Dividend	1,352,363
Profit on Sale of Investments	6,201,098
Other income	65,420
	<u>9,087,467</u>
<b>14 Employees benefit expenses</b>	
Salaries and Wages	871,813
Contribution to Provident Funds	29,444
Employees Welfare & other Amenties	253,936
	<u>1,155,193</u>
<b>15 Finance Cost</b>	
Interest Expenses	47,565
Bank Charges	376,403
	<u>423,968</u>
<b>16 Depreciation &amp; Amortization Expenses</b>	
Depreciation of Tangible Assets	1,049,961
Depreciation of Intangible Assets	119,799
Amortization of Preliminary and Share-issue Expenses	99,503
	<u>1,269,263</u>
<b>17 Other Expenses</b>	
Business Promotion Expenses	943,137
Communication & Exchange Connectivity Expenses	1,936,769
Conveyance & Motor Car Expenses	205,469
Demat Charges	443,335
Directors' Remuneration	1,510,950
Directors' Sitting Fees	24,000
Insurance	78,554
Legal & Professional Fees	1,583,548
Miscellaneous Expenses	453,350
Payments to Auditors	62,367
Printing & Stationery	184,995
Power & Fuel	743,656
Rates & Taxes	27,356
Rent	1,566,493
Repairs to Others	552,292
Research Charges	250,964
Software Maintenance Expenses	763,588
Stock Exchange Charges and SEBI Fees	196,539
Travelling Expenses	325,477
	<u>11,852,839</u>



## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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### **18 Earnings Per Share (EPS)**

i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders for calculating basic and diluted EPS	<b>4,924,149</b>
ii) Weighted Average number of Equity Shares outstanding	<b>4,700,127</b>
iii) Earnings Per Share - Basic and Diluted	<b>1.05</b>
iv) Face value per Equity Share	<b>10.00</b>

19 The depreciation is being provided for on Straight Line Method at the rates provided in Schedule XIV to the Companies Act, 1956 except for Axis Equities Private Ltd., where they have charged the same on Written Down Value Method (WDV) at the rates provided in Income Tax Act, 1961. The proportion of value of Depreciation which has been charged on Written Down Value Method is as under:

Amount of Depreciation charged on WDV Basis	<b>1,101,386</b>
Total Depreciation charged in Consolidated Accounts	<b>1,169,760</b>
% of Depreciation charged on WDV Basis to total Depreciation	<b>94.15%</b>

### **20 Contingent Liabilities**

**Nil**

### **21 Payment to Auditors as:**

i) Statutory Audit Fees	<b>55,749</b>
ii) Taxation Matters	<b>6,618</b>
	<b>62,367</b>

### **22 Value of Imports on .C.I.F. Basis**

**Nil**

### **23 Expenditure in Foreign Currency**

**Nil**

### **24 Earnings in Foreign Currency**

**Nil**

### **25 Segment Reporting (AS-17)**

As the Group's business activity fall within a single and primary business segment viz. Broking, consultancies in and trading and investment in shares and securities, commodities through Stock Exchanges the segment wise reporting in terms of Accounting Standard (AS 17) issued by the Institute of Chartered Accountants of India is not applicable.

### **26 Related party disclosures for the year ended 31st March, 2012 pursuant to Accounting Standard AS-18**

[1] Related Party and their relationship

#### **Key Management Personnel and their relatives**

Mrs. Radhika Mehta

Mr. Dipan Mehta

#### **Associates**

Dipan Mehta - HUF

Industrial Engineering Company

## AXIS CAPITAL MARKETS (INDIA) LIMITED

[2] Nature of Transaction	Key Management Personnel	Associates
a) Brokerage Received From	190,656	12967
b) Loans Received from	3,850,000	
	(8,375,000)	
c) Loans Repaid to	11,082,082	
	(1,142,918)	
d) Purchase of Shares from	5,681,000	
	(Nil)	
e) Salaries paid	1,510,950	
	(1,502,100)	
[3] Balance as at 31st March, 2012		
a) Deposits Given	6,000,000	
	(6,000,000)	
b) Loan Accounts Payable	Nil	
	(7,232,082)	

### 27 The subsidiary companies considered in the consolidated financial statements are:

	Country of Incorporation	Proportion of Ownership Interest
a) Axis Equities Private Limited	India	74.00%
b) Axis Wealth Private Limited	India	74.00%
c) Dipan Mehta Commodities Private Limited	India	74.00%

28 This being the first year of applicability of preparing Consolidated Accounts of the Group as per the Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India, the previous year's figure of the consolidated accounts of the Group of the previous year are not given.

As per our report of even date  
**For P. C. Surana & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Bohra**  
 Partner

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

Place : Mumbai  
 Date : 30th May, 2012

## **AXIS CAPITAL MARKETS (INDIA) LIMITED**

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### **STATEMENT REQUIRED TO BE INCLUDED IN THE CONSOLIDATED BALANCE SHEET PURSUANT TO APPROVAL GRANTED UNDER SECTION 212(8)**

Particulars	Axis Equities Pvt. Ltd.	Dipan Mehta Commodities Pvt. Ltd.	Axis Wealth Management Pvt. Ltd.
Capital	17,550,000	100,200	700,000
Reserves & P&L Balance	182,924,892	993,402	4,517,512
Total Assets	213,815,643	1,096,717	5,219,760
Total Liabilities	213,815,643	1,096,717	5,219,760
Investments	28,399,098	-	-
Gross Income	9,356,851	-	(27,327)
Profit/(Loss) Before Taxation	(4,313,939)	(194,942)	(162,389)
Provision for Taxation	(1,071,965)	-	(16,200)
Profit/(Loss) After Taxation	(5,385,904)	(194,942)	(178,589)
Proposed Dividend	-	-	-

#### **Notes :**

1. Ministry of Company Affairs, Government of India New Delhi vide General Circular No.:5/12/2007-CL-III Dt:08/02/2011 has granted a general exemption U/S. 212(8) of the Companies Act, 1956, for not attaching the accounts of the subsidiaries of the Company. However, annual accounts of the Subsidiary Companies and the related detailed information will be made available to investors of the Company and the Subsidiaries of the Company seeking information at any point of time. The annual accounts of the Subsidiary Companies are available for inspection by any investor at the Registered Office of the Company and of the concerned Subsidiary of the Company
2. Previous years figures have not been disclosed as these companies became subsidiaries in the year under review.

**For and on behalf of the Board**

Place : Mumbai  
Date : 30th May, 2012

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

**ATTENDANCE SLIP**  
**AXIS CAPITAL MARKETS (INDIA) LIMITED**

Registered Office: 508, Apeejay House,  
 130, Bombay Samachar Marg, Fort, Mumbai 400 023.

Please complete this attendance slip and hand it over at the entrance of the hall

I, hereby record my attendance at the Eighteenth Annual General Meeting to be held on Saturday 15th September, 2012 at Ashok Birla Board Room, Indian Merchant Chambers, Churchgate, Mumbai – 400 020 at 10-00 AM

<b>*DP ID :</b>	<b>*CLIENT ID :</b>
<b>NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)</b>	<b>**FOLIO NO.</b>

\*To be filled by Shareholders holding shares in dematerialised form  
 \*\*To be filled by shareholder holding shares in physical form.

SIGNATURE OF THE SHARE HOLDER OR PROXY \_\_\_\_\_

**PROXY**  
**ATTENDANCE SLIP**  
**AXIS CAPITAL MARKETS (INDIA) LIMITED**

Registered Office: 508, Apeejay House,  
 130, Bombay Samachar Marg, Fort, Mumbai 400 023.

<b>*DP ID :</b>	<b>*CLIENT ID :</b>
<b>**FOLIO NO. :</b>	

\*To be filled by Shareholders holding shares in dematerialised form  
 \*\*To be filled by shareholder holding shares in physical form.

I/We .....of.....  
 .....Being a Member/Members of  
 AXIS CAPITAL MARKETS (INDIA) LIMITED hereby appoint

.....  
 of .....  
 (or failing him) .....of.....  
 as my / our Proxy to attend and vote for me / us and on my / our behalf at the Eighteenth Annual General Meeting of the Company to be held on Saturday 15th September, 2012 at 10-00 AM at Ashok Birla Board Room, Indian Merchant Chambers, Churchgate, Mumbai – 400 020 and at any adjournment thereof.  
 AS WITNESS my hand/our hands this ..... day of ..... 2012.

Affix a Re. 1.00 revenue stamp
---

SIGNATURE OF THE SHAREHOLDER OR PROXY:

**NOTE :** The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need not be a member of the Company.

Name of the Shareholder(s) : .....

**BOOK-POST**

*If undelivered, please return to :*

**AXIS CAPITAL MARKETS (INDIA) LIMITED**

508, APEEJAY HOUSE,

130, BOMBAY SAMACHAR MARG,

MUMBAI - 400 023.