

**Twenty First  
Annual  
Report &  
Accounts  
2014- 2015**

**AXIS CAPITAL MARKETS (INDIA) LIMITED**

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. G. B. Desai – Chairman

*(upto 30th May, 2015)*

Mr. Dipan Mehta

Mrs. Radhika Mehta

Mr. Anil Mehta

Mrs. Vina Mehta

Mr. Dilip Kapadia

Mr. Suril Shah

*(from 30th May, 2015)*

### AUDIT COMMITTEE

Mr. G. B. Desai

*(upto 30th May, 2015)*

Mr. Dilip Kapadia

Mr. Dipan Mehta

### STAKEHOLDERS

#### RELATIONSHIP COMMITTEE

Mr. G. B. Desai

*(upto 30th May, 2015)*

Mr. Dilip Kapadia

Mr. Dipan Mehta

### AUDITORS

P. C. Surana & Co.

Chartered Accountants

205/6, Standard House,

83, M. K Road, Marine Lines,

Mumbai – 400 002

### BANKERS

HDFC Bank

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### REGISTERED OFFICE :

58, Mittal Chambers, 228, Nariman Point, Mumbai 400 021

Email : [dipanmehta@vsnl.com](mailto:dipanmehta@vsnl.com)

Website : [www.axiscapitalmarkets.com](http://www.axiscapitalmarkets.com)

CIN No. : L67190MH1994PLC083361

### REGISTRAR & TRANSFER AGENT

Big Share Services Private Limited

E-2, Ansa Industrial Estate,

Sakivihar Road, Saki Naka,

Andheri (E), Mumbai – 400 072

Tel: 022 40430200

Fax: 022 28475207

Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

### 21st ANNUAL GENERAL MEETING

on 24th August, 2015 at 10.00 a.m.

at Ashok Birla Hall, Indian Merchant Chambers,

Churchgate, Mumbai - 400 020

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## NOTICE

**NOTICE** is hereby given that the Twenty-First Annual General Meeting of the members of **AXIS CAPITAL MARKETS (INDIA) LIMITED** will be held on 24th day of August, 2015 at 10.00 a.m. at Ashok Birla Hall, Indian Merchant Chambers, Churchgate, Mumbai 400020 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the
  - Audited Financial Statement of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon; and
  - Consolidated Audited Financial Statement of the Company for the financial year ended March 31, 2015, and the Report of the Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Anil Mehta (DIN : 00112487), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors for the company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s P. C. Surana & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No.110631W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company’s financial year 2015-16, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

### SPECIAL BUSINESS

5. Change of Name

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13(2) of the Companies Act, 2013 read with rule 29 of the Companies (Incorporation) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any and subject to the approval by the members and the Registrar of Companies, Maharashtra, the name of the Company be changed from **AXIS CAPITAL MARKETS (INDIA) LIMITED**, to **ELIXIR CAPITAL LIMITED** and the Name of Axis Capital Markets (India) Limited, wherever it appears in its Memorandum, Articles, documents etc., be substituted by the new name **“ELIXIR CAPITAL LIMITED”** in due course.

**RESOLVED THAT** clause I of the Memorandum of Association of the Company be substituted by the following:

The name of the Company is **“ELIXIR CAPITAL LIMITED”**.

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

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**RESOLVED THAT** Article 2 of the Articles of Association of the Company be substituted by the following:

“The Company” OR “This Company” means “**ELIXIR CAPITAL LIMITED**”.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid Resolutions.”

### 6. Related Party Transactions

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board of Directors of the Company) to enter into contract / arrangement with Axis Equities Private Limited for providing services relating to Research Services including publishing of Monthly Newsletters for a sum of Rs. 9,60,000 (Nine Lakhs Sixty Thousand only) per annum.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to enter into an agreement for providing services and sign/execute, register and submit all the required legal documents, papers, letters, writings, etc. in connection with the above matter and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

### 7. Appointment of Independent Director

To appoint Mr. Suril Shah (DIN: 07214200) as an Independent Director and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Suril V. Shah (DIN: 07214200), who was appointed as an Additional Director and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2020.”

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

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### NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5, 6 and 7 of the accompanying Notice are annexed hereto.
2. A statement giving the relevant details of the Director seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
3. **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.**

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. by 10:00 a.m. on 21st August, 2015.

4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
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 at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 20th August, 2015 to Monday, 24th August, 2015, both days inclusive, for payment of final dividend, if declared at the Meeting.
10. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on 24th August, 2015. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on 24th August, 2015, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from 10th September, 2015.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

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

12. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mr. Dipan Mehta (dipanmehta@vsnl.com)
13. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2007 and to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 23, 2014 (date of the last Annual General Meeting) on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

### **For Equity Shareholders:**

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Last date of claiming Unpaid Dividend</b>
Final Dividend for the year 2007 - 2008	27th September, 2008	1st November, 2015
Interim Dividend for the year 2012-2013	23rd October, 2012	27th November, 2019
Final Dividend for the year 2012 - 2013	31st August, 2013	5th October, 2020
Final Dividend for the year 2013 - 2014	23rd August, 2014	28th October, 2021

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agent i.e. M/s. Big Share Services Private Limited.

14. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically
16. Information required under Clause 49 of the Listing Agreement relating to Corporate Governance with respect to the Director retiring by rotation and being eligible, seeking re-appointment is as under:

Particulars	Mr. Anil Mehta
Director Identification Number(DIN)	00112487
Date of Birth	26/08/1937
Nationality	Indian
Date of Appointment on Board	01/08/2003
Qualifications	M.Sc.
Shareholding in Axis Capital Markets (India) Limited	7,28,700 shares
Expertise in specific functional areas	Financial Markets and Communication
Directorships in other Public Limited Companies*	Nil
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	Nil

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## INSTRUCTIONS FOR MEMBERS OPTING FOR E-VOTING

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 21st August, 2015 and ends on 23rd August, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By order of the Board  
For **Axis Capital Markets (India) Limited**

Place : Mumbai

Dated: 26th June, 2015

**Dipan Mehta**  
Director



## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **ITEM NO. 5 – Change of Name**

Pursuant to a suit filed by the company in the Hon. High Court, Mumbai, the company executed a Deed of Settlement with the defendant Axis Capital Ltd. As per these terms of this Deed of Settlement, the company is required to change its name. The change of name does not result in change in the main object of the Company.

The new name proposed is Elixir Capital Limited. This name has been reserved and preliminarily approved by the Registrar of Companies, Mumbai vide their letter dated June 26, 2015.

Pursuant to the provisions of Section 13(2) of the Companies Act, 2013 read with rule 29 of the Companies (Incorporation) Rules, 2014 and other applicable provisions of the Companies Act, 2013, any change of name of requires the approval of members by way of Special Resolution. Consequently upon the changes in name clause as above, the Clause I of the Memorandum of Association and Article 2 (1) (d) of the New Articles of Association are requested to be amended accordingly.

The existing Memorandum and Articles of Association of the Company are available for inspection by members at the registered office of the Company between 10.00 a.m. and 5.00 p.m. on all working days.

Hence, the Board of Directors recommends the said Special Resolution as per item no. 5 of the Notice for your approval. Save and except to the extent of their respective shareholding none of the Directors of the Company are interested or concerned in these resolutions.

The Board commends the Special Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

#### **ITEM NO. 6 – Related Party Transaction**

The company has entered into agreement for providing services relating to Research Services including publishing of Monthly Newsletters to Axis Equities Private Limited.

As per section 188(1)(d) read with section 2 (76) (iv) of the Companies Act, 2013 this transaction is between two related parties and hence must be executed at an arm's length price, and also as per revised Clause 49 of the Listing Agreement the transaction is between related parties.

As per Section 188(1)(d) read with the Companies (Meetings of Board And Its Powers) Rules, 2014, any transaction for availing or rendering of any services directly or through appointment of agent, exceeding ten percent of the turnover of the Company or rupees fifty crores, whichever is lower, requires approval of shareholders by passing special resolution. Accordingly, the agreement for providing services relating to Research Services including publishing of Monthly Newsletters to Axis Equities Private Limited requires approval of shareholders.

In terms of Rule 15(3) of Companies (Meetings of Board and its powers) Rules, 2014, the following information has been provided for Related Party Transaction:

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

<b>Particulars of Information</b>	<b>Answers</b>
Name of the Related Party	Service Recipient: Axis Equities Pvt. Ltd. – 74% subsidiary of Axis Capital Markets (India) Limited Service Provider: Axis Capital Markets (India) Limited
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Dipan Mehta and Mrs. Radhika D Mehta
Nature of Relationship	Axis Equities Pvt. Ltd. is a subsidiary of Axis Capital Markets (India) Limited holding 74% in the Equity Capital. Mr. Dipan Mehta and Mrs. Radhika D Mehta are Directors in Holding and Subsidiary Companies.
Nature, material terms, monetary value and particulars of the contract or arrangement	Nature: Research Services including publishing of Monthly Newsletters Material Terms: Rs. 9,60,000 per annum for Research Services including publishing of Monthly Newsletters Monetary Value: Rs. 9,60,000 per annum
Any other information relevant or important for the members to take a decision on the proposed resolution	All the material information has been provided.

The Audit Committee and the Board of Directors have considered agreement for providing services relating to Research Services including publishing of Monthly Newsletters to Axis Equities Private Limited at their meeting and have approved the same.

The Members are further informed that no Member(s) of the Company being a related party or having interest in the Resolution as set out at item No.6 hereinabove shall be entitled to vote on this Special Resolution.

The Board commends the Special Resolution set out at item No. 6 of the Notice for approval by the shareholders.

Except Promoter Directors and their Relatives (to the extent of the Shareholding interest in the Company), Mr. Dipan Mehta and Mrs. Radhika D Mehta, who are Directors/ Shareholders of the Company, no other Directors and KMP of the Company is concerned/interested financially or otherwise in the said Resolution.

### **ITEM NO. 7 – Appointment of Mr. Suril Shah as an Independent Director**

Mr. Suril V. Shah was appointed as an Independent Director of the Company at the Board Meeting held on 30th May, 2015.

In terms of provisions of Section 161 (1) of the Act, Mr. Suril Shah would hold office up to the date of the ensuing Annual General Meeting. The Company has received notices in writing from members along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Suril Shah for the office of Director of the Company.

It is proposed to appoint Mr. Suril Shah as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement and he shall hold office for a term upto 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors for retirement by rotation.

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

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Mr. Suril Shah is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has also received declarations from Mr. Suril Shah that he met with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Suril Shah fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Suril V. Shah is independent of the management.

Mr. Suril Shah, is a practicing Chartered Accountant and partner at Bhogilal C. Shah & Co., Chartered Accountants. The nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is as under :

Particulars	Mr. Suril Shah
Director Identification Number(DIN)	07214200
Date of Birth	5th March, 1967
Nationality	Indian
Date of Appointment on Board	30th May, 2015
Qualifications	C.A., M.B.A
Shareholding in Axis Capital Markets (India) Limited	Nil
Expertise in specific functional areas	Financial Markets and Communication
Directorships in other Public Limited Companies*	Nil
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	Nil

Copy of the draft letters for appointment of Mr. Suril Shah as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Mr. Suril Shah is interested in the resolution set out respectively at Item No. 7 of the Notice with regard to his respective appointment.

The relatives of Mr. Suril V. Shah may be deemed to be interested in the resolution set out respectively at Item No. 7 of the Notice, to the extent of his shareholding interest, if any, in the Company. Save and except the above, none of the other Directors of the Company / his relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board commends the Special Resolutions set out at Item No. 7 of the Notice for approval by the shareholders.

By order of the Board  
For **Axis Capital Markets (India) Limited**

Place: Mumbai

Dated:26th June, 2015

**Dipan Mehta**  
Director

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS OF  
AXIS CAPITAL MARKETS (INDIA) LIMITED

The Directors take pleasure in presenting the Twenty First Annual Report together with the audited financial statements for the year ended 31st March, 2015. The Management Discussion and Analysis has also been incorporated into this report.

### 1. FINANCIAL RESULTS

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	₹	₹
Revenue from Operations	-	-
Other Income	86,53,307	43,60,768
Total Revenue	86,53,307	43,60,768
Less : Expenses		
Depreciation and amortization expenses	1,17,075	1,17,075
Other expenses	11,07,387	9,37,392
Total Expenses	12,24,462	10,54,467
Profit/(Loss) before Exceptional Items & Taxes	74,28,845	33,06,301
Exceptional Items	-	-
Profit / (Loss) before Extraordinary items Taxes	74,28,845	33,06,301
Extraordinary items	-	-
Profit before tax	74,28,845	33,06,301
Less : Tax		
Current tax	-	-
Deferred tax	911	(392)
Adjustment in Taxation of earlier years	(46,256)	4,95,843
Total Taxes	(45,345)	4,95,451
Profit / (Loss) for the period	73,83,500	38,01,752

### 2. HIGHLIGHTS OF PERFORMANCE

The total income for the year increased by 98.46 % to Rs. 86.53 lakhs from Rs. 43.61 lakhs in the previous year. Net Profits for the year increased by 94.23 % to Rs. 73.84 lakhs as compared to Rs. 38.01 lakhs in the previous year.

### 3. BUSINESS OPERATIONS

The company is the holding company of Axis Equities Pvt. Ltd. (AEPL). During the year under review a dividend of Rs. 74.68 lakhs was received from AEPL.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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AEPL, reported a significant improvement in its operations. Revenue from share trading, broking and portfolio management increased by more than 3 times to Rs. 1083.43 lakhs. This spurt in income was driven by higher arbitrage and share trading profits. AEPL made a Net Profit after Tax of Rs. 665.01 lakhs for the financial year and has proposed to pay a dividend of Rs. 5.75 per share.

### 4. DIVIDEND

The Board of Directors recommend a dividend @ 12.5% i.e. Re. 1.25 per equity share for the financial year ended 31st March, 2015. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. Total outgo on dividend payout including corporate dividend tax would aggregate to Rs. 72.54 lacs.

### 5. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 580.32 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2015, the Directors of the Company hold the equity shares of the Company as follows:

Name of the Director	Number of Shares	% of Total Capital
Mr. G. B. Desai*	Nil	0.00
Mr. Dipan Mehta	21,24,100	36.60
Mrs. Radhika D Mehta	10,100	0.17
Mr. Anil Mehta	7,28,700	12.56
Mrs. Vina A Mehta	8,49,300	14.64
Mr. Dilip Kapadia	Nil	0.00

\* retired on 30th May, 2015

### 6. FINANCE

Cash and cash equivalent as at 31st March, 2015 was Rs. 3.04 lakhs.

#### 6.1 DEPOSITS

The Company has not accepted deposits from the public and shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

#### 6.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### 7. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to the Company.

### 8. BUSINESS RISK MANAGEMENT

The subsidiaries of the Company are engaged in various financial services businesses such as stock and commodity broking, portfolio management and demat services. In addition to this, the subsidiaries also carry out arbitrage and proprietary trading. A sharp diminution in the value of the subsidiary companies is the key business risk for the company.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

The Company has not formed Risk Management Committee and considered it as optional item as prescribed under Clause 49 of Listing Agreement. The size and nature of business is such that a Risk Management Committee is not necessary.

### 9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### 10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report.

### 11. SUBSIDIARY COMPANIES

As on 31st March, 2015, the Company has following three subsidiaries:

1. Axis Equities Private Limited.
2. Dipan Mehta Commodities Private Limited
3. Axis Wealth Management Private Limited

#### Audited Financial Statement of the Company's Subsidiaries

The Statement of salient features of financial statement of Subsidiaries in Form AOC-I pursuant to Section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014 are given below:

(Rs. in Lacs)

Sr. No.	Particulars	Axis Equities Pvt. Ltd.	Dipan Mehta Commodities Pvt. Ltd.	Axis Wealth Management Pvt. Ltd.
i)	Reporting Period	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015
ii)	Reporting Currency	INR	INR	INR
iii)	Country	India	India	India
iv)	Exchange Rate	1.00	1.00	1.00
v)	Share Capital	175.50	7.00	1.00
vi)	Reserves and Surplus	2,285.24	41.10	6.59
vii)	Total Assets	2,686.26	48.12	25.13
viii)	Total Liabilities	225.52	0.02	17.53
ix)	Investment other than Investment in subsidiary	70.75	-	-
x)	Turnover	1,169.95	-	.10
xi)	Profit before taxation	941.53	(1.46)	(1.29)
xii)	Provision for Taxation	(276.52)	-	-
xiii)	Profit after taxation	665.01	(1.46)	(1.29)
xiv)	Proposed Dividend	(100.91)	-	-
xv)	Percentage of Shareholding	74.00%	100.00%	100.00%

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

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### **12. DIRECTORS:**

In terms of the Articles of Association of the Company, Mr. Anil Mehta, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. G.B. Desai, Independent Director and Chairman of the Company retired on 30th May, 2015. The Board of Directors places on record its sincere thanks and gratitude to the contribution made by him to the progress and growth of the Company.

The present constitution of the Board is not as per the Companies Act, 2013 and revised clause 49 of Listing Agreement. The company is in the process of appointing another independent director within the stipulated time period of three months

The Company has received declarations from the Independent Director of the Company confirming that he meets with the criteria of independence as prescribed both, under subsection 6 of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchanges.

#### **12.1 Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, and that of the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **12.2 Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **12.3 Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **13. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;

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

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- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **14. RELATED PARTY TRANSACTIONS**

All transactions entered with related parties for the year under review were on arms length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus Disclosure in AOC-2 is not required. However, during the year the Company has entered into material related party transaction with Axis Equities Pvt. Limited, subsidiary of the Company. Other than this there are no material related party transactions during the year under review with the promoters, directors or key managerial personnel. The necessary items for approval of members have been included in Item no. 6 of the Notice.

### **15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **16. AUDITORS**

#### **16.1 Statutory Auditors**

The Company's Auditors, M/s P. C. Surana & Co., Chartered Accountants, Mumbai who retire at the ensuing Annual General Meeting of the Company, are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

#### **16.2 Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P. P. Shah & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure A".

#### **16.3 Qualifications in Secretarial Audit Report**

##### **A. Appointment of Company Secretary & Chief Financial Officer:**

As per section 203(1)(ii) & (iii), the Company is require to appoint Company Secretary & Chief Financial Officer. *The Company has not appointed Company Secretary & Chief Financial Officer.* In this regard the management of the Company has provided the following reply:



## AXIS CAPITAL MARKETS (INDIA) LIMITED

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- (i) The Company has appointed Mr. Dipan Mehta, a Chartered Accountant as well as Director, as Compliance Officer of the Company to ensure compliance of the Companies Act, 2013 and SEBI Act and rules made there under.
- (ii) The Company has availed of the services of Practicing Company Secretary for advise on the compliance of the Companies Act, 2013 and the SEBI Act and rules made there under.
- (iii) The volume and scope of work for the Company Secretary and Chief Financial Officer is minimal and therefore a full time Company Secretary and Chief Financial Officer is not required.

### B. **Appointment of Internal Auditor:**

As per section 138 of the Companies Act, 2013, the Company is required to appoint Internal Auditor. The Company has not appointed Internal Auditor. In this regard the management of the Company has provided the following reply:

As the size of operation of the Company is very small, it is not viable to appoint Internal Auditor. However, the Company has established adequate internal control systems.

### C. **Composition of Board of Directors, Audit Committee & Nomination and Remuneration Committee:**

The composition of the Board of Directors is not as per the provisions of Companies Act, 2013 and clause 49 of Listing Agreement. In this regard the management of the Company has provided the following reply:

The company is in the process of complying with these requirements of the Companies Act, 2013.

## 17. **ENHANCING SHAREHOLDERS VALUE**

Your Company believes that its members are its most important stakeholders. Accordingly, your Company and its Subsidiaries operations are committed to the pursuit of achieving high levels of operating performance, cost competitiveness and consolidating for future growth. Our aim is to enhance the productive assets, resource base and nurturing and improving its corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the society, environment.

## 18. **CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## 19. **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is not applicable to the Company:

Foreign Exchange Earnings/Outgo	:	₹
Foreign Exchange Earned	:	Nil
Foreign Exchange Outgo	:	Nil

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## 20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B".

## 21. PARTICULARS OF EMPLOYEES

There is no employee in the Company drawing monthly remuneration of Rs.5,00,000 per month or Rs. 60,00,000 per annum. Hence the Company is not required to disclose any information as per Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 22. REMUNERATION OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)/ EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year are as follows:

Sr. No.	Name of the Director	Designation	Remuneration Per Annum (INR)	Median Remuneration Per Annum (INR)	Ratio (Remuneration of Director to Median Remuneration)
1.	Mr. Dipan Mehta	Whole Time Director	Nil	Nil	N.A.

## 23. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year.

## 24. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

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

Mumbai

Date : 30th May, 2015

**Dipan Mehta**  
Director

**Radhika Mehta**  
Director

## Management Discussion & Analysis Report

### Forward Looking Statements:

*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.*

**The company is the Holding Company of Axis Equities Pvt. Ltd. (AEPL). AEPL is a SEBI registered stock broker, portfolio manager and depository participant of the CDSL. It is also engaged in Investing in Securities, Arbitrage and Proprietary Trading. Although the company can carry out broking, investment, arbitrage and trading in shares, for the year under review, none of these activities were carried out. The only activity done in the company was providing Research Services to its Subsidiary companies.**

### Industry Structure and Development

The company and its subsidiaries is engaged in the business of broking, portfolio management, demat services, investments, arbitrage and trading in shares. This is a highly fragmented and intensely competitive industry.

### Business Prospects and Future Plans

The prospects of the company and its subsidiary are directly linked to the performance of the stock market. 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.

### 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.

### Segment-Wise or Product-Wise Performance

Not Applicable

### Outlook

The prospects of the company will depend upon how it is able to scale up the operations of its subsidiary Axis Equities Private Limited (formerly known as Dipan Mehta Share & Stock Brokers Pvt. Ltd.). The trends in the stock market will also determine its performance.

### Risk and Concerns

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

### Internal Control Systems and their Adequacy

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

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

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### **Discussions on Financial Performance with respect to Operational Performance**

The company is the holding company of Axis Equities Pvt. Ltd. (AEPL). During the year under review a dividend of Rs. 74.68 lakhs was received from AEPL.

AEPL, reported a significant improvement in its operations. Revenue from share trading, broking and portfolio management increased by more than 3 times to Rs. 1083.43 lakhs. This spurt in income was driven by higher arbitrage and share trading profits. AEPL made a Net Profit after Tax of Rs. 665.01 lakhs for the financial year and has proposed to pay a dividend of Rs. 5.75 per share.

### **Material Development on Human Resources Front**

During the year there were no material developments on the Human Resources front.

### **Material Financial and Commercial Transactions**

During the year there were no material financial or commercial transactions.

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

Mumbai  
Date: 30th May, 2015

**Dipan Mehta**  
**Director**

## ANNEXURE 'A' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during audit period).
- (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. (Not Applicable to the Company during audit period).
- (f) The Securities Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993. Regarding the Companies Act, 2013 and dealing with the clients.
- (g) The Securities Exchange Board of India (Delisting of Equity Shares), Regulations, 2009. (Not Applicable to the Company during audit period).
- (h) The Securities Exchange Board of India (Buyback of Securities), Regulations, 1998. (Not Applicable to the Company during audit period).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following qualifications:

### A. **Appointment of Company Secretary & Chief Financial Officer:**

As per section 203(1)(ii) & (iii), the Company is require to appoint Company Secretary & Chief Financial Officer. *The Company has not appointed Company Secretary & Chief Financial Officer.* In this regard the management of the Company has provided the following reply:

- i. The Company has appointed Mr. Dipan Mehta, a Chartered Accountant as well as Director, as Compliance Officer of the Company to ensure compliance of the Companies Act, 2013 and SEBI Act and rules made there under.
- ii. The Company has availed of the services of Practicing Company Secretary for advise on the compliance of the Companies Act, 2013 and the SEBI Act and rules made there under.
- iii. The volume and scope of work for the Company Secretary and Chief Financial Officer is minimal and therefore a full time Company Secretary and Chief Financial Officer is not required.

### B. **Appointment of Internal Auditor:**

As per section 138 of the Companies Act, 2013, the Company is required to appoint Internal Auditor. *The Company has not appointed Internal Auditor.* In this regard the management of the Company has provided the following reply:

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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As the size of operation of the Company is very small, it is not viable to appoint Internal Auditor. However, the Company has established adequate internal control systems.

**C. Composition of Board of Directors, Audit Committee & Nomination and Remuneration Committee:**

*The composition of the Board of Directors is not as per the provisions of Companies Act, 2013 and clause 49 of Listing Agreement. In this regard the management of the Company has provided the following reply:*

The company is in the process of complying with these requirements of the Companies Act, 2013.

**I further report that**

*The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. (See Qualification given in para C above).*

During the period under review there were no changes in the composition of the Board of Directors.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during the audit period, there were no instances of:**

1. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
2. Redemption / buy-back of securities
3. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
4. Merger / amalgamation / reconstruction, etc.
5. Foreign technical collaborations

Place: Mumbai  
Date: May 30, 2015

Signature:  
For P. P. Shah & Co.,  
Practicing Company Secretaries  
Pradip Shah  
FCS No. 1483, C P No.: 436

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## ANNEXURE 'B' TO DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2015

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

FORM NO. MGT – 9

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L67190MH1994PLC083361
Registration Date	30th November, 1994
Name of the Company	AXIS CAPITAL MARKETS (INDIA) LIMITED
Category / Sub-Category of the Company	Company limited by Shares
Address of the Registered Office and contact details	58, Mittal Chambers, 228, Nariman Point, Mumbai – 400021. Tel. No. 022 61151919
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Big Share Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400072. Tel: 022 40430200 Fax: 022 28525207

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Investment, Arbitrage And Trading In Shares	66190	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Axis Equities Private Limited	U67120MH1997PTC112103	Subsidiary	74	2(87)
Dipan Mehta Commodities Private Limited	U51101MH2006PTC164053	Subsidiary	100	2(87)
Axis Wealth Management Private Limited	U67120MH1992PTC067001	Subsidiary	100	2(87)



## AXIS CAPITAL MARKETS (INDIA) LIMITED

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4164899	0	4164899	71.77	4137300	0	4137300	71.29	-0.48
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total(A) (1):</b>	<b>4164899</b>	<b>0</b>	<b>4164899</b>	<b>71.77</b>	<b>4137300</b>	<b>0</b>	<b>4137300</b>	<b>71.29</b>	<b>-0.48</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>4164899</b>	<b>0</b>	<b>4164899</b>	<b>71.77</b>	<b>4137300</b>	<b>0</b>	<b>4137300</b>	<b>71.29</b>	<b>-0.48</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Shareholding (Continued)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	465096	0	465196	8.02	511127	100	511227	8.81	0.80
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	346827	67421	414248	7.14	407373	67321	474694	8.18	1.04
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	756457	0	756457	13.04	676867	0	676867	11.67	-1.37
<b>c) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0.00	0	0	0	0.00	0.00
ii) Other Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
iii) Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
iv) NRI/OCBs	2200	0	2200	0.03	1300	0	1300	0.02	-0.01
v) Clearing Members/ Clearing House	200	0	200	0.00	1812	0	1812	0.03	0.03
vi) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
vii) Limited Liability Partnership	0	0	0	0.00	0	0	0	0.00	0.00
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0.00	0	0	0	0.00	0.00
ix) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(2):</b>	<b>1570780</b>	<b>67521</b>	<b>1638301</b>	<b>28.23</b>	<b>1598479</b>	<b>67421</b>	<b>1665900</b>	<b>28.71</b>	<b>0.45</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1570780</b>	<b>67521</b>	<b>1638301</b>	<b>28.23</b>	<b>1598479</b>	<b>67421</b>	<b>1665900</b>	<b>28.71</b>	<b>0.45</b>
<b>Total (A) + (B)</b>	<b>5735679</b>	<b>67521</b>	<b>5803200</b>	<b>100.00</b>	<b>5735779</b>	<b>67421</b>	<b>5803200</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5735679</b>	<b>67521</b>	<b>5803200</b>	<b>100.00</b>	<b>5735779</b>	<b>67421</b>	<b>5803200</b>	<b>100.00</b>	<b>0.00</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
Dipan A Mehta	124100	2.14	0.00	2124100	36.60	0.00	34.46
Vina A Mehta	849300	14.64	0.00	849300	14.64	0.00	0.00
Anil D Mehta	728700	12.56	0.00	728700	12.56	0.00	0.00
Tapan A Mehta	424800	7.32	0.00	424800	7.32	0.00	0.00
Radhika D Mehta	2010100	34.64	0.00	10100	0.17	0.00	-34.46
Renuka J Mehta	300	0.01	0.00	300	0.01	0.00	0.00
Axis Equities Private Limited	27599	0.48	0.00	0	0.00	0.00	-0.48
<b>Total</b>	<b>4164899</b>	<b>71.79</b>	<b>0.00</b>	<b>4137300</b>	<b>71.30</b>	<b>0.00</b>	<b>-0.48</b>

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

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Dipan Mehta</b>				
At the beginning of the year	124100	2.14		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	+2000000* (13/08/14)	34.46		
At the end of the year			2124100	36.60

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Radhika Mehta</b>				
At the beginning of the year	2010100	34.64		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-2000000* (13/08/14)	34.46		
At the end of the year			10100	0.17

\* Inter se transfer between Husband and Wife as well as promoters and have complied with applicable disclosure requirements in Chapter V of the Takeover Regulations, 2011. The acquirer declares that all the conditions specified under regulation 10(1)(a)(ii) with respect to has been duly complied with.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Axis Equities Private Limited</b>				
At the beginning of the year	27599	0.4756		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-27599** (04/03/15)	0.4756		
At the end of the year			0	0.00

\*\*Sale in the open market

### iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Bhavana Desai	497500	8.57	490000	8.44
2.	Sudarshan Securities Private Limited	375214	6.47	375214	6.47
3.	Mukesh Chimanlal Patani	100000	1.72	100000	1.72
4.	Viren Raheja	75000	1.29	75000	1.29
5.	Niral V Shah	60000	1.03	0	0.00
6.	Gagandeep Credit Capital Pvt Ltd	52000	0.90	52000	0.90
7.	Kinjal S Mehta	12090	0.21	0	0.00
8.	Govind Prasad Chandak	11867	0.20	11867	0.20
9.	Swati Maheshwari	7677	0.13	6250	0.18
10.	Share India Securities Limited	5893	0.10	0	0.00
11.	Varsha Sagar Nevgi	0	0.00	5180	0.09
12.	Synergy Moneycontrol Private Limited	0	0.00	43414	0.75
13.	Jasmine Bomi Mistry	0	0.00	5000	0.09

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	Promoter directors' shareholding and their changes has already been given in earlier table. Mr. Govindbhai Desai & Mr. Dilip Kapadia (Independent Directors) do not hold any shares in the company at the beginning of the year or at the end of the year			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)				
At the end of the year				

For each of the KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
At the end of the year	Nil	Nil	Nil	Nil

### V. INDEBTEDNESS

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

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	13.07	-	13.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	<b>13.07</b>	-	<b>13.07</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	105.14	-	105.14
Reduction	-	(107.05)	-	(107.05)
<b>Net Change</b>	-	<b>(1.91)</b>	-	<b>(1.91)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	-	11.16	-	11.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	<b>11.16</b>	-	<b>11.16</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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

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

Sr.No.	Particulars of Remuneration	Dipan Mehta WTD	Former WTD	Total Amount (in Lakhs)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	Nil	Nil	Nil
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Options	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify.....	Nil	Nil	Nil
5.	Others, please specify			
	i. Deferred bonus (pertaining to the current financial year payable in 2018)ii. Retirals	Nil	Nil	Nil
	<b>TOTAL (A)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

#### B. Remuneration to other Directors:

##### 1. Independent Directors

Particulars of Remuneration	Name of Director			Total Amount (in Lakhs)
	Govindbhai Desai (retired on 30th May, 2015)	Dilip Kapadia	Director retired during the year	
- Fee for attending Board / Committee Meetings	Nil	Nil	Nil	Nil
- Commission	Nil	Nil	Nil	Nil
- Others, please specify	Nil	Nil	Nil	Nil
<b>Total (B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### 2. Other Non Executive Directors

	Name of Director					Total Amount (in Lakhs)
	Anil Mehta	Vina Mehta	Radhika Mehta	Director retired during the year	Director retired during the year	
- Fee for attending Board / Committee Meetings	Nil	Nil	Nil	Nil	Nil	Nil
- Commission	Nil	Nil	Nil	Nil	Nil	Nil
- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total (B)= (B)(1)+ (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary & Head Compliance	Total Amount (in Lakhs)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	Nil	Nil	Nil
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Options	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify.....	Nil	Nil	Nil
5.	Others, please specify – Retrials	Nil	Nil	Nil
	<b>TOTAL (C)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			None		



## CORPORATE GOVERNANCE REPORT

Under Clause 49 (X) (A) of Listing Agreement  
For The Financial Year 31st March, 2015

The Director present the Company's Report on Corporate Governance for the year ended March 31, 2015.

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

Corporate Governance is about commitment to values and ethical business conduct. We look upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholders value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company is committed to adopt best practices in corporate governance and disclosures. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, a timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance.

The Company believes that sound corporate governance is critical to enhance and retain investors' trust. The Company's corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value.
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control.
4. Principles of integrity, transparency, disclosures, accountability and fairness.
5. Upholding the highest standards of professionalism.
6. Management is the trustee of the shareholders' capital and not the owner.

The Company complies with all statutory and regulatory requirements on corporate governance and has constituted the requisite committees to look into issues of financial reporting, investor grievance and executive remuneration. This attitude of the management of Axis Capital Markets (India) Ltd. (ACMIL) has strengthened the bond of trust with its stakeholders including the society at large.

### GOVERNANCE STRUCTURE

ACMIL's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance. The Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

**Board of Directors** - The ACMIL Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

**Committee of Directors** - With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. Each of these Committees has been mandated to operate within a given framework.

**Management Structure** - Management structure for running the business as whole is in place with appropriate delegation of powers and responsibilities to the functional heads. The Whole-Time Director and Promoter-Directors are in overall control and responsible for day-to-day working of the Company. They give strategic direction, lay down policy guidelines and ensure implementation of decisions of the Board of Directors and its various committees.

## 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:

<b>Name</b>	<b>Executive/Non Executive</b>	<b>Promoter/Independent</b>	<b>Relationship with Directors</b>
Mr. Anil D Mehta	Non Executive Director	Promoter	Husband of Mrs. Vina Mehta
Mr. Dipan Mehta	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

\* retired on 30th May, 2015

The Company has received declaration from independent directors that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

The Company is in the process of complying with composition of Board of Directors with minimum two independent directors as prescribed under section 149(4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

### **Board Training and Induction**

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his/her affirmation taken with respect to the same. The Board also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his/her role as a Director of the Company.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### ii) Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
30th May, 2014	06	06
14th August, 2014	06	06
14th November, 2014	06	06
09th February, 2015	06	06

### 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
30th May, 2014	Present	Present	Present	Present	Present	Present
14th August, 2014	Present	Present	Present	Present	Present	Present
14th November, 2014	Present	Present	Present	Present	Present	Present
09th February, 2015	Present	Present	Present	Present	Present	Present
Total Attendance (out of 4 Board Meetings)	4	4	4	4	4	4
Attendance at Last AGM	Present	Present	Present	Present	Present	Present

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

Name of Director	No. of Directorship held in Companies including Axis Capital	Number of Cos and Names of Committees where Directors hold Memberships/Chairmanships in all Companies			
		Chairman	No.	Member	No.
Mr. Anil D Mehta	1	Nil	0	Nil	0
Mr. Dipan Mehta	4	Nil	0	AC – ACML SRC – ACML	2
Mr. G.B. Desai*	1	AC – ACML SRC – ACML	2	Nil	0
Ms. Radhika Mehta	4	Nil	0	Nil	0
Ms. Vina Mehta	1	Nil	0	Nil	0
Mr. Dilip Kapadia	1	Nil	0	AC – ACML SRC – ACML	2

\* retired on 30th May, 2015

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

SRC – ACML Stakeholders' Relationship 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.

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

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The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, and reviews such other items which require Board's attention.

It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

### **III. COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

#### **A. AUDIT COMMITTEE**

The Audit Committee acts as a link between the Statutory and internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

##### **Financial Reporting and Related Processes**

1. Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
2. Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
3. Review the Management Discussion & Analysis of financial and operational performance.
4. Discuss with the Statutory Auditor its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (GAAP).
5. Review the investments made by the Company.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## Internal Controls and Governance Processes

1. Review the adequacy and effectiveness of the Company's system and internal controls.
2. Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
3. To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

## Audit

1. Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
2. Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
3. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
4. Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
5. To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
6. To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.

## Other Duties

1. To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
2. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at 31st March, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	G.B. Desai*~	Dilip Kapadia \$	Dipan Mehta #
30th May, 2014	Present	Present	Present
14th August, 2014	Present	Present	Present
14th November, 2014	Present	Present	Present
09th February, 2015	Present	Present	Present
Total Attendance (out of 4 meetings)	4	4	4

\* retired on 30th May, 2015

~Chairman & Non Executive Independent Director

\$ Member & Non- Executive Independent Director

# Member & Executive Promoter Director

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

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The constitution of the audit committee is compliant with section 177(2) of the Companies Act, 2013. The Company has adopted at its Board meeting held on May 30, 2014 the terms of reference of Audit Committee as prescribed under section 177(4) of the Companies Act, 2013 w.e.f. 1st April, 2014. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

### **B. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

1. transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
2. issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
4. issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
5. to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
6. to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
7. to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
8. to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
9. monitoring expeditious redressal of investors/ stakeholders grievances;
10. all other matters incidental or related to shares, debentures and other securities of the Company.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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The composition of the Stakeholders' Relationship Committee as at 31st March, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	G.B. Desai*~	Dilip Kapadia \$	Dipan Mehta #
30th May, 2014	Present	Present	Present
14th August, 2014	Present	Present	Present
14th November, 2014	Present	Present	Present
09th February, 2015	Present	Present	Present
Total (out of 4 meetings)	4	4	4

\* retired on 30th May, 2015

~Chairman & Non Executive Independent Director

\$ Member & Non- Executive Independent Director

# Member & Executive Promoter Director

### Compliance Officer:

As required by the Listing Agreement, the Company has appointed Mr. Dipan Mehta as the Compliance Officer. Email address of Compliance Officer is dipanmehta@vsnl.com.

### Complaint Status for the year 01/04/2014 to 31/03/2015

Category	Complaints Received	Complaints Resolved	Complaints Pending
Non receipt. of credit of dividend	0	0	0
Non receipt of dividend warrant	2	2	0
Non receipt of interest warrant	0	0	0
Non receipt of annual reports	0	0	0
SEBI	0	0	0
Stock exchange	0	0	0
Non receipt of share certificate	0	0	0
Non receipt of share transfer	0	0	0
Others	0	0	0
Total	2	2	0

### C. NOMINATION AND REMUNERATION COMMITTEE (N&R)

In compliance with Section 178 of the Companies Act, 2013 and Clause 49(IV) of Listing Agreement, the Board has constituted the "Nomination and Remuneration Committee" (N&R).

The terms of reference of the Committee inter alia, include the following:

1. Constitution: Min 3 Non Executive Directors with half or more as Independent Directors. However, the Chairman of the Company (Executive or non-executive) shall be the member of the Committee, but shall not act as the Chairman of the Committee.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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### 2. Terms of Reference:

- a) The Committee shall identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every directors performance.
- b) Lay down the criteria for determining the qualifications, positive attributes and independence of a Director and further recommend to the Board the policy for remuneration of Director, Key Managerial Personnel and Employees.

### 3. While formulating the policy the Committee has to ensure that:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2015 and the details of Members participation at the Meetings of the Committee are as under:

<b>Date of Meeting</b>	<b>* Anil D Mehta</b>	<b>#Dilip Kapadia</b>	<b>\$Radhika Mehta</b>
09th February, 2015	Present	Present	Present
Total	1	1	1

\*Chairman & Non Executive Promoter Director

# Member & Non- Executive Independent Director

\$ Member & Non- Executive Promoter Director

### D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to the Company.

### E. RISK MANAGEMENT COMMITTEE

The subsidiaries of the Company are engaged in various financial services businesses such as stock and commodity broking, portfolio management and demat services. In addition to this, the subsidiaries also carry out arbitrage and proprietary trading. A sharp diminution in the value of the subsidiary companies is the key business risk for the company. Given this context, the Company has not formed Risk Management Committee and considered it as optional item as prescribed under Clause 49 of Listing Agreement.



# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## F. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 09th February, 2015, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors and the Board of directors as a whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timeline of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## IV. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. The said Policy has been outlined below:

### A. CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

1. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
2. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
3. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
4. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.
5. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

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

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## **B. REMUNERATION**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

1. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
2. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## **C. MANAGING DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT**

For the purpose of selection of the Managing Director, the N&R Committee shall recommend the Promoter Directors as Managing Director who are persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

### **Remuneration for the Managing Director**

1. At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
3. The remuneration of the Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
4. Remuneration Policy for the Senior Management Employees
5. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:
  - a) the relationship of remuneration and performance benchmark;
  - b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - d) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

6. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

### V. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and Nomination and Remuneration. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### VI. DETAILS OF REMUNARATION PAID TO ALL DIRECTORS

The aggregate remuneration paid to the Directors for the year ended 31st March, 2015, is as under:

Name of Director	Designation	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Anil Mehta	Director	Nil	Nil	Nil	Nil
Mr. Dipan Mehta	Whole-Time Director	Nil	Nil	Nil	Nil
Mrs. Vina A Mehta	Director	Nil	Nil	Nil	Nil
Mrs. Radhika D Mehta	Director	Nil	Nil	Nil	Nil
Mr. G.B. Desai*	Independent Director	Nil	Nil	Nil	Nil
Mr. Dilip Kapadia	Independent Director	Nil	Nil	Nil	Nil

\* retired on 30th May, 2015

**Note:** The Company does not pay any allowances, perquisites, performance bonus, sign-on amount to Executive and Non-Executive Directors.

#### Details of Service Contracts:

Name and Designation	Current tenure	From	To
Mr. Dipan Mehta Whole-Time Director	5 Years	1st June, 2012	31st May, 2017

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

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**Equity Shares of Axis Capital Markets (India) Limited held by The Non-Executive Directors are as follows:**

<b>Non Executive Directors</b>	<b>No. of shares held as on 31st March, 2015</b>	<b>No. of shares held as on 31st March, 2014</b>
Mr. Anil Mehta	7,28,700	7,28,700
Mrs. Vina A. Mehta	8,49,300	8,49,300
Mrs. Radhika D. Mehta	10,100	20,10,100
Mr. G.B. Desai*	Nil	Nil
Mr. Dilip Kapadia	Nil	Nil

\* retired on 30th May, 2015

**Details of Remuneration paid to the Directors are given in Form MGT-9**

### **VII. SUBSIDIARY COMPANIES**

The Company has one subsidiary, Axis Equities Private Limited whose net worth exceeds 20% of consolidated net worth of the holding company in immediately preceding accounting year and has generated more than 20% of the consolidated income of the Company during the previous financial year. Accordingly a policy on Material Subsidiary has been formulated.

The other two subsidiary companies, Dipan Mehta Commodities Private Limited and Axis Wealth Management Private Limited do not have net worth exceeding 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries is not applicable.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

### **VIII. RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## IX. DISCLOSURES

### **Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### **Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

### **Whole-Time Director's (WTD) Certification**

The WTD has issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## X. CODE OF CONDUCT FOR THE BOARD MEMBERS AND SENIOR MANAGEMENT

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, 2015. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

## XI. VIGIL MECHANISM / WHISTLE BLOWER POLICY

During the financial year 2014 – 2015, in accordance with the revised clause 49 (II) (F) of listing agreement and pursuant to section 177 (9) read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, the company has adopted a whistle blower policy. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the whistle blower policy, the employees are free to report violations of laws, rules, regulations or un-ethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

E-Mail: [dipanmehta@vsnl.com](mailto:dipanmehta@vsnl.com)

Telephone Number: 022 6115 1919

## XII. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the

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

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Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

### **XIII. COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS**

1. The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
2. The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
3. The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also available at the registered office of the company.
4. In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE Limited are filed electronically on BSE's on-line portal and through Corporate Filing and Dissemination System (CFDS) website [www.corpfiling.co.in](http://www.corpfiling.co.in). The Company has complied with filing submissions through BSE's BSE Online Portal.

### **XIV. GENERAL INFORMATION TO SHAREHOLDERS**

Financial Year Ended: 31st March, 2015

#### **Investor Services**

The Company has appointed Big Share Services Private Limited, Registrar and Share transfer Agent which offers all share related services to its Members and Investors.

These services include transfer / transmission / dematerialization of shares, payment of dividends, sub-division / consolidation / renewal of share certificates and investor grievances.

#### **Registered Office & Correspondence Address**

Axis Capital Markets (India) Limited

58, Mittal Chambers, 228, Nariman Point, Mumbai - 400021. Telephone No: 6115 1919

Website: [www.axiscapitalmarkets.com](http://www.axiscapitalmarkets.com)

Contact Person: Mr. Dipan Mehta, Compliance Officer Email Address: [dipanmehta@vsnl.com](mailto:dipanmehta@vsnl.com)

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company may be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

### Plant Location

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

### Market Information

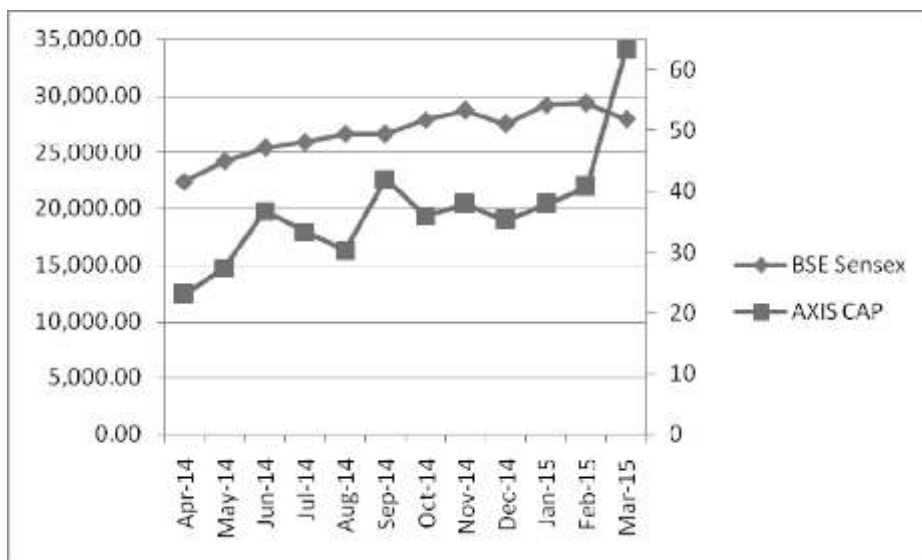
Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

<b>Name &amp; Address of the Stock Exchanges</b>	<b>Stock Code/ Scrip Code</b>	<b>ISIN Number for CDSL(Dematerialised shares)</b>
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	531278	INE 785D01012

## AXIS CAPITAL MARKETS (INDIA) LIMITED

Performance of Equity Shares of the company in comparison to BSE Sensex, (Chart as per the website of Bombay Stock Exchange Limited i.e. [www.bseindia.com](http://www.bseindia.com))



**\*Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2015:**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)	* Spread (₹) H-L	C-O
Apr-14	18.55	24.45	17.6	23	4978	90	102372	6.85	4.45
May-14	24	28.95	22.3	27.4	25799	307	658386	6.65	3.4
Jun-14	27.4	37.6	27	36.75	82823	376	2666522	10.6	9.35
Jul-14	38.55	38.55	30.85	33.3	19013	350	652766	7.7	-5.25
Aug-14	32.95	34.5	28.65	30.2	19683	518	626275	5.85	-2.75
Sep-14	28.75	48.6	28.75	42	50021	1401	2107741	19.85	13.25
Oct-14	43	43	35.2	35.9	21796	822	836461	7.8	-7.1
Nov-14	35	45.9	34.5	37.9	39251	1066	1464907	11.4	2.9
Dec-14	37.95	37.95	28.5	35.25	26222	919	903173	9.45	-2.7
Jan-15	36	38.05	31.5	37.9	28991	788	1040706	6.55	1.9
Feb-15	34.8	42.45	31	40.7	43830	754	1696294	11.45	5.9
Mar-15	42.45	93.3	41.55	63.4	469701	5519	33036152	51.75	20.95

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



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

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## **Share Transfer System / Dividend and Other Related Matters:**

### **Share transfers**

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

### **Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

### **Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

## **Dividend**

### **Payment of dividend through National Electronic Clearing Service (NECS):**

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, Members who hold shares in demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

### **Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in November, 2015 transfer to the said fund, the dividends for the years ended 31st March, 2008 which have remained unclaimed / unpaid.

### **For Equity Shareholders:**

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Last date of claiming Unpaid Dividend</b>
Final Dividend for the year 2007 - 2008	27th September, 2008	1st November, 2015
Interim Dividend for the year 2012-2013	23rd October, 2012	27th November, 2019
Final Dividend for the year 2012 - 2013	31st August, 2013	5th October, 2020
Final Dividend for the year 2013 - 2014	23rd August, 2014	28th October, 2021

Individual reminders are sent each year to those Members whose dividends have remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor Education & Protection Fund (IEPF).

### **Pending Investors' Grievances**

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

### Distribution of Shareholding as on 31st March, 2015:

Range (In Rs.)	No. of Shareholders	% to total holders	Total Shareholding (In Rs.)	% to capital
1 - 5000	1637	87.21	2012260	3.47
5001 - 10000	139	7.41	1153660	1.99
10001 - 20000	49	2.61	723490	1.25
20001 - 30000	20	1.07	505990	0.87
30001 - 40000	11	0.59	399710	0.69
40001 - 50000	6	0.32	278640	0.48
50001 - 100000	3	0.16	214300	0.37
100001 & Above	12	0.64	52743950	90.89
<b>Total</b>	<b>1877</b>		<b>58032000</b>	<b>100.00</b>

The Company has entered into agreements with Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

### Shareholding Pattern as on 31st March, 2015 (Equity Shares):

Category	No. of Shares Held	% of Share Holding
<b>A. Promoter (S) Holding</b>		
Promoter (s)		
- Indian Promoters		
- Foreign Promoters	41373000	71.290.00
<b>Sub – Total(A)</b>	<b>41373000</b>	<b>71.29</b>
<b>B. Non-Promoters Holding</b>		
<b>Institutional Investors</b>		
i. Mutual Funds & UTI	0	0.00
ii. Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non-Govt Inst)	0	0.00
iii. FIs	0	0.00
<b>Others</b>		
i. Private Corporate Bodies	511227	8.81
ii. Indian Public	1151561	19.84
iii. NRI/OCBS	1300	0.02
iv. Directors / Relatives	0	0.00
v. Clearing Members	1812	0.03
vi. Trust	0	0.00
<b>Sub-Total (B)</b>	<b>1665900</b>	<b>28.71</b>
<b>GRAND TOTAL (A+B)</b>	<b>58032000</b>	<b>100.00</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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### Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2015

Sr. No.	Names of the shareholders	No. of Shares	% of Capital	
1	<b>Promoters:</b>			
	Dipan A Mehta	2124100	4137300	71.30
	Vina A Mehta	849300		
	Anil D Mehta	728700		
	Tapan A Mehta	424800		
	Radhika D Mehta	10100		
	Renuka J Mehta	300		
2	Bhavana Desai	490000		8.44
3	Sudarshan Securities Private Limited	375214		6.47
4	Mukesh Chimanlal Patani	100000		1.72
5	Viren Raheja	75000		1.29
	<b>Total</b>	<b>5177514</b>		<b>89.22</b>

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

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments. Hence there will not be any impact on the equity of the company.

### Particulars of Past Three Annual General 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 & Time	Location
31.03.12	18th AGM	NIL	15.09.12 10.00 A.M.	Indian Merchant Chambers, Churchgate, Mumbai: 400 020
31.03.13	19th AGM	NIL	31.08.13 10.00 A.M.	Indian Merchant Chambers, Churchgate, Mumbai: 400 020
31.03.14	20th AGM	NIL	23.08.14 10.00 A.M.	Indian Merchant Chambers, Churchgate, Mumbai: 400 020

### Notes:

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

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## DECLARATIONS

### FINANCIAL CALENDAR 2015:

Board Meeting for consideration of Accounts for the financial year ended 31st March, 2015 and recommendation of dividend	30th May, 2015
Posting of Annual Reports	On or before 30th July, 2015
Book Closure Dates	20th August, 2015 to 24th August, 2015 (both days inclusive)
Last date for receipt of Proxy Forms	21st August, 2014
Date, Time & Venue of the 21st Annual General Meeting	Date : 24th August, 2015 Time : 10.00 a.m. Venue : Ashok Birla Hall, Indian Merchant Chambers, Churchgate, Mumbai - 400 020.
Dividend Payment Date	10th September, 2015
Probable date of despatch of warrants	10th September, 2014
Board Meeting for consideration of unaudited quarterly results for the financial year ended 31st March, 2016	Within Sixty days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
Audited results for the current financial year ending 31st March, 2015	Within Sixty days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges

### 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.

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

Mumbai  
Date: 30th May, 2015

**Dipan Mehta**  
Director

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

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### **Compliance with Code of Conduct on clause 49(II) (E) 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(II) (E) 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, 2015.

**Dipan Mehta**  
Director

Place: Mumbai  
Date: 30th May, 2015

## WHOLE-TIME DIRECTOR'S CERTIFICATION

I the undersigned, in my capacity as Whole-Time Director of Axis capital Markets (India) Limited ("the Company"), to the best of my knowledge and belief certify that:

1. I have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2015 and that to the best of our knowledge and belief, we state that:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
4. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies.
5. I have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

**Dipan Mehta**  
Director

Mumbai  
Date: 30th May, 2015

# **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 2015, 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 : 30th May, 2015

**Sunil Bohra**  
Partner  
Membership No. 39761

## INDEPENDENT AUDITORS' REPORT

To the Members of

**AXIS CAPITAL MARKETS (INDIA) LIMITED**

### **Report on the Financial Statements**

1. We have audited the accompanying standalone Financial Statements of **Axis Capital Markets (India) Limited** ("**the Company**"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a Summary of Significant Accounting Policies and other Explanatory Information.

### **Management's Responsibility for the (Standalone) \* Financial Statements**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



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

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## **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we further report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014.
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **P. C. Surana & Co.**  
Chartered Accountants  
(Registration No. 110631W)

Place : Mumbai  
Date : 30th May, 2015

Sunil Bohra  
Partner  
Membership No. 39761

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

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### **Annexure referred to in paragraph 9 of Our Report of even date to the Members of AXIS CAPITAL MARKETS (INDIA) LIMITED (“the Company”) on the accounts of the Company for the year ended 31st March, 2015**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, 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.

(ii) In respect of its inventories:

The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.

(iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013:

- (a) The principal amounts are repayable on demand and the loans/advances given are interest free.
- (b) In respect of the said loans/advances and interest thereon, there are no overdue amounts.

(iv) 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 the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) In respect of statutory dues:

- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees'

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

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State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally deposited regularly with the appropriate authorities in India.

- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
  - (c) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) 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.
- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For **P. C. Surana & Co.**  
Chartered Accountants  
(Registration No. 110631W)

Place : Mumbai

Date : 30th May, 2015

Sunil Bohra  
Partner  
Membership No. 39761

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>I) EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	2	58,032,000	58,032,000
b) Reserves & Surplus	3	<u>103,859,697</u>	<u>103,730,197</u>
		<b>161,891,697</b>	<b>161,762,197</b>
<b>2 Non -Current Liabilities</b>			
Deferred tax liabilities (Net) (Related to Fixed Assets)		<b>398,766</b>	<b>399,677</b>
<b>3 Current Liabilities</b>			
a) Short-term borrowings	4	1,116,000	1,307,000
b) Trade Payables		<b>39,419</b>	38,933
c) Other current liabilities	5	<b>352,511</b>	212,688
d) Short Term Provisions	6	<u>7,254,000</u>	<u>7,254,000</u>
		<b>8,761,930</b>	<b>8,812,621</b>
<b>TOTAL</b>		<b><u>171,052,393</u></b>	<b><u>170,974,495</u></b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
a) Fixed Assets			
Tangible Assets	7	1,630,985	1,671,809
b) Non-current Investments	8	<b>168,845,213</b>	168,845,213
c) Other Non-Current Assets	9	<u>29,678</u>	<u>105,929</u>
		<b>170,505,876</b>	<b>170,622,951</b>
<b>2 Current Assets</b>			
(a) Inventories	10	-	-
(b) Trade Receivables		-	-
(c) Cash and Cash equivalents		<b>304,517</b>	305,288
(d) Short term Loans and Advances		<u>242,000</u>	<u>46,256</u>
		<b>546,517</b>	<b>351,544</b>
<b>TOTAL</b>		<b><u>171,052,393</u></b>	<b><u>170,974,495</u></b>
Significant Accounting Policies	1		
Other Notes on Accounts	17 to 25		

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

**For and on behalf of the Board**

**Sunil Bohra**  
Partner

**Dipam Mehta**  
Director

**Radhika Mehta**  
Director

Place : Mumbai  
Date : 30th May, 2015

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For the year ended March 31, 2015 ₹		For the year ended March 31, 2014 ₹
<b>INCOME</b>				
(I) Revenue from Operations :				
a) Income from Operations	11	-	-	
b) Other Operating Incomes	12	<u>8,428,307</u>	<u>4,164,114</u>	4,164,114
(II) Other Income	13		<u>225,000</u>	196,654
(III) <b>Total Revenue</b>			<u><b>8,653,307</b></u>	4,360,768
<b>(IV) EXPENSES</b>				
Depreciation and amortization expenses	14	<u>117,075</u>	117,075	
Other expenses	15	<u>1,107,387</u>	<u>937,392</u>	
<b>Total Expenses</b>			<u><b>1,224,462</b></u>	1,054,467
(V) Profit before tax			<u><b>7,428,845</b></u>	3,306,301
<b>(VI) Tax Expenses:</b>				
(1) Current tax		-	-	
(2) Deferred tax		<u>911</u>	(392)	
(3) Adjustment in Taxation in earlier years		<u>(46,256)</u>	<u>495,843</u>	
			<u><b>(45,345)</b></u>	495,451
(VII) <b>Profit for the Year</b>			<u><b>7,383,500</b></u>	3,801,752
(XII) Earning Per equity Share	16			
1. Basic			<u>1.27</u>	0.66
2. Diluted			<u>1.27</u>	0.66
Significant Accounting Policies	1			
Other Notes on Accounts	17 to 25			

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, 2015

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
<b>A. Cash Flow From Operating Activities</b>		
<b>Net Profit before Tax as per Profit and Loss Statement</b>	7,428,845	3,306,301
<b>Adjusted for:</b>		
Depreciation & Amortisation	117,075	117,075
Dividend and Interest Income	(7,468,307)	(4,549,277)
Investment written off	-	188,509
<b>Operating Profit before Working Capital Changes</b>	77,613	(937,392)
<b>Adjusted for:</b>		
(Increase)/Decrease in Trade and Other Receivables	(146,000)	-
(Increase)/Decrease in Stock in Trade	-	-
(Increase)/Decrease in Trade and Other Payables	140,309	(35,889)
Net Cash generated from Working Capital changes	(5,691)	(35,889)
<b>Cash generated from Operating Activities</b>	71,922	(973,281)
Direct Taxes Refunds/(Net of Payments)	(96,000)	449,843
<b>Net Cash Flow from Operating Activities - (A)</b>	(24,078)	(523,438)
<b>B. Cash Flow from Investing Activities</b>		
Dividend and Interest Income	7,468,307	4,549,277
	-	-
<b>Net Cash Flow from Investing Activities - (B)</b>	7,468,307	4,549,277
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(7,254,000)	(4,352,400)
Tax on Dividend	-	(298)
Proceeds from Short term Borrowings	(191,000)	272,000
<b>Net Cash Flow from Financing Activities - (C)</b>	(7,445,000)	(4,080,698)
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	(771)	(54,859)
Opening Balance of Cash and Cash Equivalents	305,288	360,147
<b>Closing Balance of Cash and Cash Equivalents</b>	304,517	305,288

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, 2015

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

### **1 SIGNIFICANT ACCOUNTING POLICIES**

#### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956, ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 Act, as applicable.

#### **USE OF ESTIMATES**

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any change in such estimates is recognized prospectively.

#### **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.

#### **FIXED ASSETS**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchases price and any attributable cost of bringing the assets to its working condition for its intended use. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use.

#### **DEPRECIATION / AMORTIZATION**

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 over their estimated useful life. Fixed Assets costing Rs.5000/- or less are fully depreciated in the year of purchase. Preliminary and Securities Issue expenses are amortised over the period of five years.

#### **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.

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

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## **STOCKS IN TRADE**

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

## **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.

## **EARNING PER SHARE**

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## **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, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>2 Share Capital</b>		
<b>Authorised</b>		
60,00,000 (Previous year-60,00,000) Equity Shares of Rs. 10 each	<b>60,000,000</b>	35,000,000
	<b>60,000,000</b>	35,000,000
<b>Issued, Subscribed &amp; Fully paid up:</b>		
58,03,200 (Previous year - 58,03,200) Equity Shares of Rs. 10 each fully paid up	<b>58,032,000</b>	58,032,000
	<b>58,032,000</b>	58,032,000
<b>2.1 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>5,803,200</b>	5,803,200
Add: Shares issued on conversion of share warrants	-	-
Equity shares at the end of the year	<b>5,803,200</b>	5,803,200

### 2.2 Details of Shareholders holding more than 5% of Equity shares:

	No. of shares	% held	No. of shares	% held
Ms. Radhika Mehta	10,100	0.17%	2,010,100	34.64
Mr. Dipan Anil Mehta	2,124,100	36.60%	124,100	2.14
Ms. Vina Mehta	849,300	14.64%	849,300	14.64
Mr. Anil Mehta	728,700	12.56%	728,700	12.56
Mr. Tapan Mehta	424,800	7.32%	424,800	7.32
Ms. Bhavana Desai	490,000	8.44%	497,500	8.57
M/s Sudarshan Securities Pvt. Ltd.	375,214	6.47%	400,000	6.89

2.3 28,00,000 Equity Shares issued on conversion of Share Warrants during five years preceding March 31, 2015.

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>3 Reserves &amp; Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	65,240,000	65,240,000
<b>General Reserve</b>		
Balance as per last Balance Sheet	7,969,000	7,812,000
Add : Transferred from Profit & Loss Account	-	157,000
	<u>7,969,000</u>	<u>7,969,000</u>
<b>Profit and Loss Account</b>		
Balance as per last Balance Sheet	30,521,197	34,130,445
Add : Profit for the year	7,383,500	3,801,752
	<u>37,904,697</u>	<u>37,932,197</u>
Less : Transferred to General Reserve	-	(157,000)
Proposed Dividend Rs.1.25 Per Share, (Previous Year Rs 1.25]	(7,254,000)	(7,254,000)
Dividend Distribution Tax on Proposed Dividend	-	-
	<u>30,650,697</u>	<u>30,521,197</u>
<b>Total Reserves &amp; Surplus</b>	<u><u>103,859,697</u></u>	<u><u>103,730,197</u></u>
<b>4 Short Term Borrowings</b>		
<b>Unsecured</b>		
Loans & Advances from Related Parties	1,116,000	1,307,000
	<u>1,116,000</u>	<u>1,307,000</u>
<b>5 Other Current Liabilities</b>		
a) TDS Payable	3,851	4,326
b) Deposits	150,000	-
c) Unclaimed Dividend	198,660	208,362
	<u>352,511</u>	<u>212,688</u>
<b>6 Short Term Provisions</b>		
a) Proposed Dividend	7,254,000	7,254,000
b) Tax on Proposed Dividend	-	-
	<u>7,254,000</u>	<u>7,254,000</u>

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## 7. Fixed Assets Tangible Assets

DESCRIPTION	Gross Block				Depreciation				Net Carrying Value	
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	Up to 31.03.2014	Depreciation For the year	Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
OFFICE PREMISES	2,378,300	-	-	2,378,300	713,863	38,760	-	752,623	1,625,677	1,664,437
FURNITURE & FITTINGS	430,509	-	-	430,509	430,508	-	-	430,508	1	1
COMPUTERS	541,351	-	-	541,351	541,350	-	-	541,350	1	1
AIR CONDITIONER	43,500	-	-	43,500	36,130	2,064	-	38,194	5,306	7,370
<b>Total</b>	<b>3,393,660</b>	<b>-</b>	<b>-</b>	<b>3,393,660</b>	<b>1,721,851</b>	<b>40,824</b>	<b>-</b>	<b>1,762,675</b>	<b>1,630,985</b>	<b>1,671,809</b>
Previous year	3,393,660	-	-	3,393,660	1,637,602	43,425	-	1,681,027	1,712,633	1,756,058

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>8 Non-Current Investments</b>		
<b>1. Trade Investments ( at Cost)</b>		
<b>In Equity Shares (Unquoted)</b>		
a) Investment in Subsidiary Company		
12,98,700 (Previous year - 12,98,700) - Fully paid up Equity Shares		
of Rs.10/- each in Axis Equities Pvt Ltd	<b>168,845,213</b>	168,845,213
<b>Total Non-current Investments</b>	<b>168,845,213</b>	168,845,213
<b>9 Other Non Current Assets</b>		
Share Issue Expenses	<b>29,678</b>	105,929
<b>10 Current Assets</b>		
<b>Inventories (At cost, except otherwise stated)</b>		
<b>(As valued &amp; certified by the Management)</b>		
<b>Stock in Trade</b>	-	-
<b>Trade Receivables</b>	-	-
<b>Cash and Cash Equivalents</b>		
i) Balances with Bank		
In Current Accounts	<b>19,042</b>	(6,963)
In Unclaimed Dividend Accounts	<b>208,362</b>	235,138
ii) Cash on hand	<b>77,113</b>	77,113
	<b>304,517</b>	305,288
<b>Short Term Loans and Advances</b>		
(Unsecured and considered good)		
Loans & Advances to Related Parties	<b>146,000</b>	-
Advance Income Tax (Net of Provisions)	<b>96,000</b>	46,256
<b>Total Current Assets</b>	<b>546,517</b>	351,544

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2014 ₹
<b>11 Revenue from Operations</b>		
Share Trading Income	-	-
	-	-
<b>12 Other operating Income</b>		
Dividend	7,468,307	4,352,623
Investments written off	-	(188,509)
Research Fees	960,000	-
	<u>8,428,307</u>	<u>4,164,114</u>
<b>13 Other Incomes</b>		
Interest on income tax refunds	-	196,654
Rent	225,000	-
	<u>225,000</u>	<u>196,654</u>
<b>14 Depreciation &amp; Amortization Expenses</b>		
Depreciation of Tangible Assets	40,824	40,824
Amortization of Share Issue Expenses	76,251	76,251
	<u>117,075</u>	<u>117,075</u>
<b>15 Other Expenses</b>		
Communication and Connectivity Charges	21,314	25,680
Software Charges	9,551	6,180
Legal & Professional Fees	393,161	590,698
Miscellaneous Expenses	235,100	176,391
Payment to Auditors	39,326	50,562
Printing & Stationery	52,755	52,555
Power & Fuel	1,380	3,156
Repairs to Others	58,000	-
Rates & Taxes	34,440	4,080
Stock Exchange Charges and SEBI Fees	262,360	28,090
	<u>1,107,387</u>	<u>937,392</u>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2014 ₹
<b>16 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	7,383,500	3,801,752
ii) Weighted Average number of Equity Shares in calculating Basic EPS	5,803,200	5,803,200
iii) Weighted Average number of Equity Shares in calculating Diluted EPS	5,803,200	5,803,200
iv) Basic EPS [i]/(ii)	1.27	0.66
v) Diluted EPS [i]/(iii)	1.27	0.66
vi) Face value per Equity Share	10.00	10.00
<b>17 Earning in Foreign Exchange</b>	Nil	Nil
<b>18 Remittance in Foreign Currency on account of Dividend</b>		
The company has paid dividend in respect of shares held by Non-Residents on repatriation basis.		
i) Number of Non Resident Shareholders	Nil	Nil
ii) Number of Equity Shares held by them	NA	NA
iii) Amount of Dividend Paid		
Tax Deducted at Source	NA	NA
Year to which dividend relates	NA	NA
<b>19 Expenditure in Foreign Currency</b>	Nil	Nil
<b>20 Payment to Auditors are:</b>		
i) Statutory Audit Fees	28,090	28,090
ii) Certification Matters	11,236	11,236
iii) Income Tax Matters	-	11,236
	39,326	50,562
<b>21 Value of Imports on .C.I.F. Basis</b>	Nil	Nil
<b>22 Contingent Liabilities</b>	Nil	Nil
<b>23 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		

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### 24 Related party disclosures for the year ended March 31, 2015 pursuant to Accounting Standard AS-18

#### Related Parties 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

Ms. Radhika Mehta      Mr. Dipan Mehta

Nature of Transaction	Subsidiary Companies	Key Management Personnel
a) <b>Reserch Fees Received</b>		
Axis Equities Pvt. Ltd.	960,000	-
	(Nil)	-
b) <b>Loans Received from</b>		
Axis Equities Pvt. Ltd.	8,841,000	-
	(272,000)	-
Dipan Mehta Commodities Pvt Ltd	1,673,000	
	(Nil)	
c) Loans Given to / Repaid to		
Axis Equities Pvt. Ltd.	10,148,000	
	(Nil)	
Dipan Mehta Commodities Pvt Ltd	557,000	
	(Nil)	
Axis Wealth Pvt. Ltd.	146,000	
	(Nil)	
<b>Balances as at 31st March 2015</b>		
a) Loan Accounts Payable		
Axis Equities Pvt. Ltd.	Nil	-
	(1,307,000)	-
Dipan Mehta Commodities Pvt Ltd	1,116,000	
	(Nil)	
a) <b>Loan Accounts Receivable</b>		
Axis Wealth Pvt. Ltd.	146,000	
	(Nil)	

( Figures in the brackets are of Previous Year)

25 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

Place : Mumbai

Date : 30th May, 2015

**Dipan Mehta**

*Director*

**Radhika Mehta**

*Director*

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

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of

**AXIS CAPITAL MARKETS (INDIA) LIMITED**

### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated Financial Statements of Axis Capital Markets (India) Limited ("the Company"), and its subsidiaries (collectively referred to as "the Group", which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are



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

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appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2015 and its consolidated profit and its consolidated cash flows for the year ended on that date.

### **Other Matters**

The Financial Statements of all the subsidiaries have been audited by us.

For **P. C. Surana & Co.**  
Chartered Accountants  
(Registration No. 110631W)

Place : Mumbai

Date : 30th May, 2015

Sunil Bohra  
Partner  
Membership No. 39761

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	2	58,032,000	57,756,010
b) Reserves & Surplus	3	<u>134,422,359</u>	<u>97,013,768</u>
		<b>192,454,359</b>	<b>154,769,778</b>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Minority Interest</b>		<b>71,074,656</b>	<b>53,855,842</b>
<b>4 Non -Current Liabilities</b>			
a) Long-term borrowings	4	1,217,583	-
b) Deferred tax liabilities (Net) (Related to Fixed Assets)		<u>398,766</u>	<u>399,677</u>
		<b>1,616,349</b>	<b>399,677</b>
<b>5 Current Liabilities</b>			
a) Short-term borrowings	5	3,926,223	15,362,234
b) Trade payables		1,236,012	965,009
c) Other current liabilities	6	1,124,443	664,812
d) Short Term Provisions	7	<u>12,075,653</u>	<u>11,514,780</u>
		<b>18,362,331</b>	<b>28,506,835</b>
<b>TOTAL</b>		<b><u>283,507,695</u></b>	<b><u>237,532,132</u></b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	8	39,836,123	41,659,035
ii) Intangible Assets	8	344,303	456,027
iii) Capital Work-in-Progress		-	-
iv) Intangible Assets under development		-	-
v) Goodwill on Consolidation		16,479,206	16,334,355
b) Non-current Investments	9	7,074,838	11,929,756
d) Long-term Loans and Advances	10	25,473,060	28,956,220
e) Other Non-Current Assets	11	<u>32,030</u>	<u>131,533</u>
		<b>89,239,560</b>	<b>99,466,926</b>
<b>2 Current Assets</b>	12		
(a) Inventories		155,043,011	102,334,720
(b) Trade Receivables		33,370	931,464
(c) Cash and Cash equivalents		34,093,584	30,427,355
(d) Short-term loans and advances		2,749,297	3,206,215
(e) Other current assets		<u>2,348,873</u>	<u>1,165,452</u>
		<b>194,268,135</b>	<b>138,065,206</b>
<b>TOTAL</b>		<b><u>283,507,695</u></b>	<b><u>237,532,132</u></b>
Significant Accounting Policies	1		
Other Notes on Accounts	20 to 29		

As per our report of even date

**For P. C. Surana & Co.**

Chartered Accountants

**Sunil Bohra**

Partner

Place : Mumbai

Date : 30th May, 2015

**For and on behalf of the Board**

**Dipan Mehta**

Director

**Radhika Mehta**

Director

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.		For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
(I) Revenue from Operations :				
a) Income from Operations	13	<b>108,353,450</b>	35,807,688	
b) Other Operating Incomes	14	<b>6,442,176</b>	338,960	36,146,648
(II) Other Income	15		<b>2,434,285</b>	2,501,809
(III) <b>Total Revenue (I) + (II)</b>			<b>117,229,911</b>	<b>38,648,457</b>
(IV) <b>EXPENSES</b>				
Employee benefits expenses	16	<b>1,864,767</b>	3,517,440	
Finance Costs	17	<b>500,867</b>	621,472	
Depreciation and amortization expenses	18	<b>4,748,184</b>	4,996,526	
Other expenses	19	<b>16,276,638</b>	13,607,407	
<b>Total Expenses</b>			<b>23,390,456</b>	22,742,845
(V) Profit before tax (III-IV)			<b>93,839,455</b>	15,905,612
(VI) <b>Tax Expenses :</b>				
(1) Current tax		<b>(27,513,220)</b>	(3,140,391)	
(2) Deferred tax		<b>911</b>	(2,192,810)	
(3) Adjustment in Taxation in earlier years		<b>(184,960)</b>	595,113	
			<b>(27,697,269)</b>	(4,738,088)
(VII) <b>Profit for the year before adjustment for Minority Interest</b>			<b>66,142,186</b>	11,167,524
(VIII) Add : Share of Profit / (Loss) transferred to Minority Interest			<b>17,218,815</b>	3,045,915
(IX) Profit for the Year			<b>48,923,371</b>	8,121,609
(X) Earning Per equity Share of face value of Rs.10 each Basic and Diluted	20		<b>8.43</b>	1.41
Significant Accounting Policies	1			
Other Notes on Accounts	21 to 29			

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, 2015

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
<b>A. Cash Flow From Operating Activities</b>		
<b>Net Profit / (Loss) before Tax as per Profit and Loss Statement</b>	<b>93,839,455</b>	<b>15,905,612</b>
<b>Adjusted for:</b>		
Depreciation & Amortisation	4,748,184	4,996,526
Investments written off / diminished	13,509	188,509
Assests written off	325,000	369,909
Sundry Balances written off	80,484	
Interest & Finance Charges paid	500,867	621,472
Dividend and Interest Income	(4,565,430)	(4,901,505)
(Profit) Loss on Sale of Investments	(4,118,899)	2,542,374
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>90,823,170</b>	<b>19,722,897</b>
<b>Adjusted for Working Capital changes</b>		
Trade and Other Receivables	-	603,864
Stock in Trade	(52,708,291)	(22,290,092)
Trade and Other Payables	-	(13,268)
<b>Net Cash generated from Working Capital changes</b>	<b>(52,708,291)</b>	<b>(21,699,496)</b>
<b>Cash Flow from Operating Activities</b>	<b>38,114,879</b>	<b>(1,976,599)</b>
Direct Taxes paid	(26,925,909)	(2,271,225)
Income Tax Refund of earlier years	329,304	-
<b>Net Cash Flow from Operating Activities - (A)</b>	<b>11,518,274</b>	<b>(4,247,824)</b>
<b>B. Cash Flow from Investing Activities</b>		
Dividend Paid	(9,877,725)	(5,881,005)
Dividend Distribution Tax paid	(1,637,055)	(999,478)
Dividend and Interest Income	4,565,430	4,901,505
Interest & Finance Charges paid	(500,867)	(621,472)
(Purchase) / Sales of Fixed Assets (Net)	(3,039,045)	(604,426)
(Purchase) / Sale of Investments (Net)	9,091,446	7,589,811
<b>Net Cash Flow from Investing Activities - (B)</b>	<b>(1,397,816)</b>	<b>4,384,935</b>
<b>C. Cash Flow from Financing Activities</b>		
Given Long Term Advances received back	3,483,160	(8,627,300)
(Increase) Decrease in Short Term Advances	100,319	203,154
Long Term Borrowings	1,217,583	
Short Term Borrowings	(11,436,011)	4,618,934
<b>Net Cash Flow from Financing Activities - (C)</b>	<b>(6,634,949)</b>	<b>(3,805,212)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>3,485,509</b>	<b>(3,668,101)</b>
Opening Balance of Cash and Cash Equivalents	30,427,355	34,095,456
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>33,912,864</b>	<b>30,427,355</b>

As per our report of even date

**For P. C. Surana & Co.**

*Chartered Accountants*

**Sunil Bohra**

Partner

Place : Mumbai

Date : 30th May, 2015

**For and on behalf of the Board**

**Dipan Mehta**

*Director*

**Radhika Mehta**

*Director*

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1 SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

#### A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian Gapp), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013

#### B. PRINCIPLES 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-
  - 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 on 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.
  - f) 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
- C. Investment other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"
- D. Other Significant accounting policies are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>2 Share Capital</b>		
<b>Authorised</b>		
Equity Shares		
60,00,000 Equity Shares of Rs. 10 each	<u>60,000,000</u>	<u>60,000,000</u>
	<u>60,000,000</u>	<u>60,000,000</u>
<b>Issued, Subscribed &amp; Fully paid up</b>		
<b>Equity Shares</b>		
58,03,200 (Previous Year 57,75,601 ) Equity Shares of Rs. 10 each fully paid up	<u>58,032,000</u>	<u>57,756,010</u>
	<u>58,032,000</u>	<u>57,756,010</u>
<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	5,775,601	5,774,100
Add: Shares sold by subsidiary	27,599	1,501
No. of the Equity shares at the end of the year	<u>5,803,200</u>	<u>5,775,601</u>
<b>3 Reserves and Surplus</b>		
(a) <b>Capital Redemption Reserve</b>		
Balance as per last Balance sheet	-	-
(b) <b>Securities Premium Account</b>		
Balance as per last Balance sheet	65,240,000	65,240,000
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	10,358,000	7,812,000
Add : Transferred from Profit & Loss Account	-	2,546,000
	<u>10,358,000</u>	<u>10,358,000</u>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>(d) Profit and Loss Account</b>		
Balance as per last Balance sheet	21,415,768	27,354,939
Add (Less) : Profit (Loss) for year	<u>48,923,371</u>	<u>8,121,609</u>
	70,339,139	35,476,548
Less : Transferred to General Reserve		(2,546,000)
Proposed Dividend on Equity Shares	(9,877,725)	(9,877,725)
Tax on and Proposed dividends on Equity Shares	<u>(1,637,055)</u>	<u>(1,637,055)</u>
	58,824,359	21,415,768
<b>Total Reserves &amp; Surplus</b>	<u><u>134,422,359</u></u>	<u><u>97,013,768</u></u>
<b>4 Long Term Borrowings</b>		
From HDFC Bank - Vehicle Loan (Secured by Hypothecation of Motor Vehicle taken on loan)	<u>1,217,583</u>	-
	<u><u>1,217,583</u></u>	-
<b>5 Short Term Borrowings</b>		
Secured		
Overdraft From Banks	3,926,223	15,362,234
Secured against Bank Balances and personally guaranteed by a Director	<u>3,926,223</u>	<u>15,362,234</u>
<b>6 Other Current Liabilities</b>		
a) Current Maturities of Finance Lease Obligations	547,967	
b) Statutory Dues Payable	11,844	11,514
c) Unclaimed Dividends	198,660	208,362
d) Deposits	150,000	-
e) Expenses Payables	<u>215,972</u>	<u>444,936</u>
	<u><u>1,124,443</u></u>	<u><u>664,812</u></u>
<b>7 Short Term Provisions</b>		
a) Proposed Dividend	9,877,725	9,877,725
b) Tax on Proposed Dividend	1,637,055	1,637,055
c) Provision for Income- Tax (Net of Advance Tax)	<u>560,873</u>	-
	<u><u>12,075,653</u></u>	<u><u>11,514,780</u></u>

# AXIS CAPITAL MARKETS (INDIA) LIMITED

## 8. Fixed Assets

DESCRIPTION	Gross Block				Depreciation				Net Carrying Value	
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	Up to 31.03.2014	Depreciation For the year	Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets:</b>										
OFFICE PREMISES	40,110,516			40,110,516	6,185,035	3,264,864	-	9,449,899	30,660,617	33,925,481
OFFICE PREMISES	2,730,455			2,730,455	273,046	245,741		518,787	2,211,668	2,457,409
COST OF IMPROVEMENTS	4,775,916	151,142		4,927,059	1,776,153	311,639	-	2,087,792	2,839,267	2,999,763
FURNITURE & FITTINGS	862,097			862,097	168,113	69,398	-	237,511	624,586	693,984
ELECTRIC INSTALLATION	9,638,133	46,200	67,850	9,616,483	9,370,003	188,629	67,850	9,490,782	125,701	268,130
COMPUTERS	958,741	145,206		1,103,948	583,305	74,405	-	657,711	446,237	375,436
AIR CONDITIONER	171,770	39,600		211,370	104,035	13,130	-	117,165	94,205	67,735
OFFICE EQUIPMENTS	3,203,623	2,263,146	-	5,466,769	2,332,526	300,401	-	2,632,927	2,833,842	871,097
VEHICLES										
<b>Total Tangible Assets</b>	<b>62,451,252</b>	<b>2,645,295</b>	<b>67,850</b>	<b>65,028,696</b>	<b>20,792,217</b>	<b>4,468,207</b>	<b>67,850</b>	<b>25,192,574</b>	<b>39,836,123</b>	<b>41,659,035</b>
<b>Intangible Assets:</b>										
BSE DERIVATIVES MEMBERSHIP	325,000	-	325,000	-	-	-	-	-	-	325,000
CLUB MAHINDRA TIME SAHRE	198,495	-	-	198,495	79,400	7,940	-	87,340	111,155	119,095
COMPUTER SOFTWARE	1,725,424	393,750	-	2,119,174	1,713,492	172,534	-	1,886,026	233,148	11,932
<b>Total Intangible Assets</b>	<b>2,248,919</b>	<b>393,750</b>	<b>325,000</b>	<b>2,317,669</b>	<b>1,792,892</b>	<b>180,474</b>	<b>-</b>	<b>1,973,366</b>	<b>344,303</b>	<b>456,027</b>
<b>Total Fixed Assets</b>	<b>64,700,171</b>	<b>3,039,045</b>	<b>392,850</b>	<b>67,346,365</b>	<b>22,585,109</b>	<b>4,648,681</b>	<b>67,850</b>	<b>27,165,940</b>	<b>40,180,426</b>	<b>42,115,062</b>
Previous Year	58,806,602	6,263,478	369,909	64,700,171	17,688,086	4,897,023	-	22,585,109	42,115,062	41,118,516



## AXIS CAPITAL MARKETS (INDIA) LIMITED

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>9 Non-Current Investments</b>		
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	7,074,838
b) In Equity Shares (Quoted)		
Nil (Previous year - 66) Autolite India Ltd.	-	396
Nil (Previous year - 30,000) DCB Bank Ltd.	-	1,400,180
Nil (Previous year - 200) Eicher Motors Ltd.	-	553,905
Nil (Previous year - 8,000) FCS Software Ltd.	-	2,000
Nil (Previous year - Nil) Goldman Sachs Liquidbees Ltd.	-	1,000
Nil (Previous year - 600) Jubliant Foodworks Ltd	-	669,524
Nil (Previous year - 100) Samtel Color Ltd.	-	9,963
Nil (Previous year - 100) Tata Metaliks Ltd.	-	1,150
Nil (Previous year - 5,542) Wheels (India) Ltd.	-	2,216,800
	-	-
	<u>7,074,838</u>	<u>4,854,918</u>
	<u>7,074,838</u>	<u>11,929,756</u>
<b>Notes :</b>		
1. Aggregate market value of quoted Investments	-	6,949,518
2. Aggregate cost of quoted Investments	-	4,854,918
3. Aggregate value of Unquoted Investments	7,074,838	7,074,838
<b>10 Long-term Loans and Advances (Unsecured, considered good)</b>		
Deposits#	24,763,060	28,546,220
Margin with SHCIL	710,000	410,000
	<u>25,473,060</u>	<u>28,956,220</u>
# Includes Rs.41.50 lakhs (Previous year Rs.50 lakhs) relating to Office Deposit with a related party		
<b>11 Other Non Current Assets</b>		
Preliminary Expenses (to the extent not written off or adjusted)	32,030	131,533
	<u>32,030</u>	<u>131,533</u>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>12 Current Assets</b>		
<b>a) Inventories (At cost, except otherwise stated) (As valued &amp; certified by the Management)</b>		
i) Stock in Trade	155,043,011	102,334,720
<b>b) Trade Receivables</b> (Unsecured, considered good)		
Over Six months	25,622	550,340
Others	7,748	381,124
	<b>33,370</b>	931,464
<b>c) Cash and Cash Equivalents</b>		
i) Balances with Bank		
In Current Accounts	10,192,067	6,466,534
In Fixed Deposit Accounts	23,350,000	23,350,000
Accrued Interest on Fixed Deposit Accounts	266,151	325,454
ii) Cash on hand	285,366	285,367
	<b>34,093,584</b>	30,427,355
<b>d) Short-term Loans and Advances</b> (Unsecured, considered good)		
Advances Recoverable in Cash or In Kind	1,623,826	1,439,723
Loan To Staff	1,125,471	925,790
Advance Income- tax (Net of Provision)	-	540,702
Advances to Related Parties	-	300,000
	<b>2,749,297</b>	3,206,215
<b>e) Other Current Assets</b>		
Pre Paid Expenses	2,348,873	1,165,452
<b>Total Current Assets</b>	<b>194,268,135</b>	<b>138,065,206</b>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>13 Revenue from Operations</b>		
Brokerage Income	2,797,260	1,448,207
Share Trading Profits	102,917,725	34,089,047
Diminution In Value Of Investments	(13,509)	(188,509)
Portfolio Management Fees	2,651,974	458,943
	<u>108,353,450</u>	<u>35,807,688</u>
<b>14 Other operating Income</b>		
Dividend	2,131,145	2,399,696
Profit on Sale of Investments	4,118,899	(2,542,374)
Stock Exchange Incentives	145,364	429,394
Other income	46,768	52,244
	<u>6,442,176</u>	<u>338,960</u>
<b>15 Other Income</b>		
Interest income	2,209,285	2,501,809
Rent	225,000	-
	<u>2,434,285</u>	<u>2,501,809</u>
<b>16 Employees benefit expenses</b>		
Salaries and Wages	1,367,357	3,211,986
Contribution to Provident Funds	24,160	26,455
Employees Welfare & other Amenties	473,250	278,999
	<u>1,864,767</u>	<u>3,517,440</u>
<b>17 Finance Cost</b>		
Interest Expenses	183,094	248,613
Bank Charges	317,773	372,859
	<u>500,867</u>	<u>621,472</u>
<b>18 Depreciation &amp; Amortization Expenses</b>		
Depreciation of Tangible Assets	4,468,207	4,777,224
Depreciation of Intangible Assets	180,474	119,799
Amortization of Preliminary and Share-issue Expenses	99,503	99,503
	<u>4,748,184</u>	<u>4,996,526</u>
<b>19 Other Expenses</b>		
Business Promotion Expenses	818,403	1,100,162
Communication & Exchange Connectivity Expenses	2,530,424	1,544,119
Conveyance & Motor Car Expenses	234,806	476,998
Demat Charges	538,124	396,808
Directors' Remuneration	2,025,000	1,500,000
Insurance	77,085	80,108
Legal & Professional Fees	933,147	2,916,647
Miscellaneous Expenses	1,443,006	816,856
Payments to Auditors	90,686	101,468
Printing & Stationery	171,281	196,895
Power & Fuel	898,155	637,336
Rates & Taxes	105,493	22,662
Rent	948,504	945,506
Repairs to Others	1,154,440	518,361
Research Charges	104,137	100,000
Fixed Assets Written Off	325,000	369,909
Software Maintenance Expenses	526,482	668,368
Stock Exchange Charges and SEBI Fees	587,995	428,136
Travelling Expenses	2,764,470	787,068
	<u>16,276,638</u>	<u>13,607,407</u>

## AXIS CAPITAL MARKETS (INDIA) LIMITED

	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
<b>20 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	48,923,371	8,121,609
ii) Weighted Average number of Equity Shares outstanding	5,803,200	5,775,601
iii) Earnings Per Share - Basic and Diluted	8.43	1.41
iv) Face value per Equity Share	10.00	10.00
<b>21</b> The depreciation is being provided for on Straight Line Method over the estimated useful life of the assets 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	4,607,779	4,856,083
Total Depreciation charged in Consolidated Accounts	4,648,681	4,897,023
% of Depreciation charged on WDV Basis to total Depreciation	99.12%	99.16%
<b>22 Contingent Liabilities</b>	Nil	Nil
<b>23 Payment to Auditors as:</b>		
i) Statutory Audit Fees	71,450	67,997
ii) Certification Fees	19,236	22,235
iii) Taxation Matters	-	11,236
	<u>90,686</u>	<u>101,468</u>
<b>24 Value of Imports on .C.I.F. Basis</b>	Nil	Nil
<b>25 Expenditure in Foreign Currency</b>	Nil	Nil
<b>26 Earnings in Foreign Currency</b>	Nil	Nil
<b>27 Segment Reporting (AS-17)</b>		
As the Group's business activity fall within a single and primary business segment viz. Capital Markets, the segment wise reporting in terms of Accounting Standard (AS 17) issued by the Institute of Chartered Accountants of India is not applicable.		
<b>28 Related party disclosures for the year ended 31st March, 2015 pursuant to Accounting Standard AS-18</b>		
[1] <b>Related Party and their relationship</b>		
<b>Key Management Personnel and their relatives</b>		
Mrs. Radhika Mehta		
Mr. Dipan Mehta		
<b>Associates</b>		
Dipan Mehta - HUF		
Industrial Engineering Company		

## AXIS CAPITAL MARKETS (INDIA) LIMITED

[2] Nature of Transaction	For the year ended March 31, 2015 ₹		For the year ended March 31, 2014 ₹	
	Key Management Personnel	Associates	Key Management Personnel	Associates
a) Loans Received from	850,000	-	Nil	-
b) Purchase of Shares from	-	8,554	Nil	-
c) Salaries paid	2,025,000	-	1,762,500	-
d) Rent paid	170,000	-	120,000	-
e) Share of Jobbing Profits paid	6,772,258	-	3,559,539	-
<b>[3] Balance as at 31st March, 2015</b>				
a) Office Deposits Given	4,150,000	-	5,300,000	-

The subsidiary companies considered in the consolidated financial statements are:

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

29 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, 2015

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

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### **STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

Particulars	Axis Equities Pvt. Ltd.	Axis Wealth Management Pvt. Ltd.	Dipan Mehta Commodities Pvt. Ltd.
1 Capital	17,550,000	100,200	700,000
2 Reserves	228,524,194	659,325	4,109,655
3 Total Assets	268,626,455	2,512,525	4,811,903
4 Total Liabilities	22,552,261	1,753,000	2,248
5 Details of Investments (except investment in subsidiaries)	7,074,838	-	-
6 Gross Income	116,994,847	9,592	-
7 Profit/(Loss) Before Taxation	94,153,316	(128,959)	(146,222)
8 Provision for Taxation	(27,651,924)	-	-
9 Profit /(Loss) After Taxation	66,501,392	(128,959)	(146,222)
10 Proposed Dividend	(10,091,250)	-	-

**For and on behalf of the Board**

Place : Mumbai  
Date : 30th May, 2015

**Dipan Mehta**  
*Director*

**Radhika Mehta**  
*Director*

## ATTENDANCE SLIP

### AXIS CAPITAL MARKETS (INDIA) LIMITED

Registered Office: 58, Mittal Chambers, 228, Nariman Point, Mumbai - 400021..

### AXIS CAPITAL MARKETS (INDIA) LIMITED

Registered Office: 58, Mittal Chambers, 228, Nariman Point, Mumbai - 400021.

### FORM NO. MGT - 11 PROXY FORM

(Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014

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

I, hereby record my attendance at the Twenty First Annual General Meeting to be held on 24th August, 2015 at 10.00 a.m. at Ashok Birla Hall, Indian Merchant Chambers, Churchgate, Mumbai-400020.

CIN	:	L67190MH1994PLC083361
Name of the Company	:	<b>AXIS CAPITAL MARKETS (INDIA) LIMITED</b>
Registered Office	:	58, Mittal Chambers, 228, Nariman Point, Mumbai-400021
Email ID	:	dipanmehta@vsnl.com
Folio No /Client ID / DP ID	:	

I/We, being the member (s) of \_\_\_\_\_ number of shares of the above named company, hereby appoint:

1. Name		
Address		
Email Id		Or failing him
Signature		
2. Name		
Address		
Email Id		Or failing him
Signature		
3. Name		
Address		
Email Id		Or failing him
Signature		

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on the 24th August, 2015 at 10.00 A.M. at Ashok Birla Hall, Indian Merchant Chambers, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolutions	For	Against
1. Adoption of Financial Statements for the year ended 31st March, 2015.		
2. To declare dividend on equity shares.		
3. Re-appointment of Mr. Anil Mehta, who retires by rotation.		
4. Re-Appointment M/s. P C. Surana & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration.		
5. To Approve Change of Name of the Company		
6. Related Party Transaction		
7. Appointment of Independent Director		

Signed this _____ day of _____, 2015.	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;">                     Affix revenue stamp                 </div>
Signature of shareholder : _____	
Signature of Proxy Holder (s): _____	

**NOTE:** The Proxy Form in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Meeting.

<b>*DP ID :</b>	<b>*CLIENT ID :</b>	
NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)		No. of Shares held

\*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 \_\_\_\_\_

**BOOK-POST**

*If undelivered, please return to :*

**AXIS CAPITAL MARKETS (INDIA) LIMITED**

58, MITTAL CHAMBERS,

228, NARIMAN POINT,

MUMBAI - 400 021.

CIN No. : L67190MH1994PLC083361




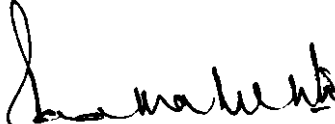

# AXIS

**Capital Markets (India) Ltd.**

**FORM A**

**ANNUAL AUDIT REPORT**

<b>1</b>	<b>Name of the Company</b>	<b>AXIS CAPITAL MARKETS (INDIA) LIMITED</b>	
<b>2</b>	<b>Annual financial statement for the year ended</b>	31 <sup>st</sup> March, 2015	
<b>3</b>	<b>Type of Audit Observation</b>	<b>Un-qualified* / Matter-of-Emphasis</b> *All the clauses in the Audit Report alongwith the annexure to the Audit Report, both, dated May 30, 2015 are un-qualified in nature.	
<b>4</b>	<b>Frequency of Observation</b>	Whether appeared first time Whether appeared repetitive ..... Since how long (period)	<b>Not Applicable</b> <b>Not Applicable</b> <b>Not Applicable</b>

<b>5</b>	<b>For AXIS CAPITAL MARKETS (INDIA) LIMITED</b>		
			
	<b>Dipan Mehta</b> Executive Director	<b>Radhika Mehta</b> Director	<b>G.B. Desai</b> Audit Committee Chairman

M/s. P. C. Surana & Co.,  
Chartered Accountants





**Sunil Bohra**  
Partner  
Membership No. 39761  
FRN: 110631W



# P.C. SURANA & CO.

## CHARTERED ACCOUNTANTS

P. C. SURANA  
B.Com., LL. B. F.C.A.

SUNIL BOHRA  
B.Com. (Hons.), F.C.A.

205-6, STANDARD HOUSE,  
83, MAHARSHI KARVE ROAD,  
MARINE LINES,  
MUMBAI - 400 002.  
TEL. : 22057705 / 22057707  
E-mail: pcs\_co@rediffmail.com

### INDEPENDENT AUDITORS' REPORT

To the Members of  
**Axis Capital Markets (India) Limited.**

#### Report on the Financial Statements

1. We have audited the accompanying standalone Financial Statements of **Axis Capital Markets (India) Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a Summary of Significant Accounting Policies and other Explanatory Information.

#### Management's Responsibility for the (Standalone) \* Financial Statements

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

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design



**P.C. SURANA & CO.**  
**CHARTERED ACCOUNTANTS**

**P. C. SURANA**  
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**SUNIL BOHRA**  
B.Com. (Hons.), F.C.A.

205-6, STANDARD HOUSE,  
83, MAHARSHI KARVE ROAD,  
MARINE LINES,  
MUMBAI - 400 002.  
TEL : 22057705 / 22057707  
E-mail: pcs\_co@rediffmail.com

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

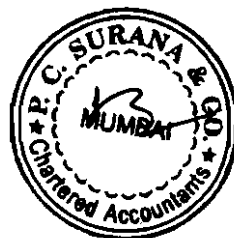
8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

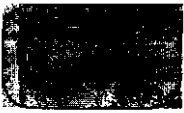
**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

**10. As required by section 143(3) of the Act, we further report that:**

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014.





**P.C. SURANA & CO.**  
**CHARTERED ACCOUNTANTS**

**P. C. SURANA**  
B.Com., LL. B. F.C.A.

**SUNIL BOHRA**  
B.Com. (Hons.), F.C.A.

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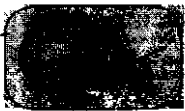
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



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

**Sunil Bohra**  
**Partner**  
Membership No. 39761

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2015**



**P.C. SURANA & CO.**  
**CHARTERED ACCOUNTANTS**

**P. C. SURANA**  
B.Com., LL. B. F.C.A.

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**Annexure referred to in paragraph 9 of Our Report of even date to the Members of AXIS CAPITAL MARKETS (INDIA) LIMITED ("the Company") on the accounts of the Company for the year ended 31st March, 2015**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, 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.

(ii) In respect of its inventories:

The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.

(ii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013:

- (a) The principal amounts are repayable on demand and the loans/advances given are interest free.
- (b) In respect of the said loans/advances and interest thereon, there are no overdue amounts.

(iv) 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 the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) In respect of statutory dues:





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- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally deposited regularly with the appropriate authorities in India.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) 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.
- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.



Place: Mumbai  
Date: 30th May, 2015

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

Sunil Bohra  
Partner  
Membership No. 39761