

**Sixteenth
Annual
Report &
Accounts
2009-2010**

AXIS CAPITAL MARKETS (INDIA) LIMITED

BOOK-POST

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AXIS CAPITAL MARKETS (INDIA) LIMITED

Registered Office : 508, APEEJAY HOUSE,
130, BOMBAY SAMACHAR MARG,
MUMBAI - 400 023.

AXIS CAPITAL MARKETS (INDIA) LIMITED

BOARD OF DIRECTORS	MR. G. B. DESAI - CHAIRMAN MR. DIPAN MEHTA MRS. RADHIKA MEHTA MRS. VINA MEHTA MR. ANIL MEHTA MR. DILIP KAPADIA
BANKERS	HDFC BANK
AUDITORS	P. C. SURANA & CO. Chartered Accountants 205/6, STANDARD HOUSE, 83, M. K. ROAD, MARINE LINES, MUMBAI - 400 002.
REGISTERED OFFICE	508, APEEJAY HOUSE, 5TH FLOOR, 130, BOMBAY SAMACHAR MARG, FORT, MUMBAI - 400 023.
SHARE TRANSFER AGENTS	BIG SHARE SERVICES PRIVATE LIMITED E-2, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA, ANDHERI (E), MUMBAI - 400072. TEL. : 2847 0652 / 3 / 2847 3474 FAX : 2847 5207 EMAIL : info@bigshareonline.com bss@bigshareonline.com

AXIS CAPITAL MARKETS (INDIA) LIMITED

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Shareholders of **AXIS CAPITAL MARKETS (INDIA) LIMITED** will be held on Saturday, 3rd July, 2010 at 10.00 a.m. at Indian Merchant Chambers, Churchgate, Mumbai 400020 to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Dipan Mehta who retires by rotation and being eligible offers himself for re-appointment.
- 3) To re-appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modification, the following as **SPECIAL RESOLUTION**.

“RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) to invest in the equity share capital of Dipan Mehta Shares and Stock Brokers Private Limited, subject to an overall limit of Rs. 20 crores approximately, to be subscribed and/or invested from time to time; notwithstanding that such investments together with the existing investments, loans, guarantees, securities made or given in other Bodies Corporate exceed the limits as prescribed under the said Section 372A.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine and make the actual investment to and of a sum of upto Rs. 20 crores and to do or cause to be done and/or execute or cause to be executed all such acts, deeds and things as are expedient in the matter including obtaining approvals of concerned authorities, if any, required for making the investment for which the sanction is hereby given and to settle and decide all or any matters arising out of and incidental or ancillary to the proposed investment and the rights, powers and obligations of the Company vis-à-vis the proposed Company.”

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

Dated : 5th June, 2010
Place : Mumbai

Dipan Mehta
Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 with respect to Item No. 4 of the notice is annexed to this notice.
4. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 28th June, 2010 to 3rd July, 2010 (both the days inclusive).
6. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.
9. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
10. Pursuant to provisions of Section 205A and Section 205C of the Companies Act, 1956, dividend for the financial year March 31, 1999 and dividend declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of Dividend	Last date of claiming Unpaid Dividend
Interim Dividend for the year 2004 - 2005	6th November, 2004	5th January, 2011
Final Dividend for the year 2005 - 2006	17th June, 2006	22nd July, 2013
Final Dividend for the year 2006 - 2007	29th September, 2007	3rd November, 2014
Final Dividend for the year 2007 - 2008	27th September, 2008	1st November, 2015

AXIS CAPITAL MARKETS (INDIA) LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT
(pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM NO. 4.

The Company has already invested 80,000 equity shares of Rs 10/- each in Dipan Mehta Share and Stock Brokers Private Limited (DMSSB). The said investment is 13.79 % of the paid up capital and free reserves of the Company as on 31st March, 2010. The Company intends to invest upto 75% of the paid up capital of DMSSB.

This arrangement would result in DMSSB becoming a subsidiary of the company. At present, DMSSB is a SEBI registered Stock Broker, Portfolio Manager and Depository Participant (DP). It has membership of the Bombay Stock Exchange, National Stock Exchange and through its subsidiary, membership of the Multi Commodity Exchange. It is a registered DP with Central Depository Services Ltd.

Through this acquisition, your company will be able to enter into the fast growing financial services industry. DMSSB is engaged in stock broking, arbitrage, share trading and portfolio management and depository operations. The investment by your company into DMSSB will enable it to scale up its operations and provide your company with an operational stock broking and financial services business.

Making of the proposed investment together with the existing investments, loans, guarantees, securities made or given by the Company in other bodies corporate would be in excess of the limits laid down under Section 372A of the Companies Act, 1956 requiring approval of the members by means of a Special Resolution.

The Directors are of the view that the proposed investments would yield good returns and would add value to the shareholders.

Your Directors recommend the passing of the above Special Resolution.

None of the Directors except Mr. Dipan Mehta, Mrs. Radhika Mehta, Mr. Anil Mehta and Mrs. Vina Mehta be interested or concerned in adoption of the proposed resolution.

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

Dipan Mehta
Director

Dated: 5th June, 2010
Place: Mumbai

AXIS CAPITAL MARKETS (INDIA) LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

	Year ended on March 31,2010	Year ended on March 31,2009
Income	289.57	10.89
Profit (Loss) on sale of investments	(15.98)	(96.59)
Net Income (Loss)	273.59	(85.70)
Expenditure	7.26	144.45
Profit / (Loss) before Tax	266.33	(230.15)
Add / (Less) : Securities Transaction Tax	(0.17)	(0.21)
Provision for Current Tax	(48.30)	-
Deferred Tax	(48.07)	48.09
Profit After Tax	169.79	(182.27)
Adjustment in earlier years' taxation	(13.34)	0.04
	156.45	(182.23)
Balance brought forward from last year	180.38	362.61
Profit available for appropriation	336.83	180.38
Less: Appropriations	-	-
Proposed Dividend	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	<u>336.83</u>	<u>180.38</u>

2. DIVIDEND

With a view to deploy the profits into the existing operations of the company and its proposed acquisition of Dipan Mehta Share & Stock Brokers (DMSSB) Pvt. Ltd., Board of Directors have not recommended any dividend for the year.

3. OPERATIONS

The fiscal year 2009-10 was a year of recovery. After the crash of October 2008, markets across the world including our stock markets, staged a come back. For the year, the Sensex appreciated by 80.53 %. Your company's portfolio also registered smart gains with the Net Asset Value increasing by a phenomenal 98.46 % from Rs. 14.94 on 31st March, 2009 to Rs. 29.65 on 31st March, 2010.

AXIS CAPITAL MARKETS (INDIA) LIMITED

4. ISSUE OF PREFERENTIAL CONVERTIBLE WARRANTS:

The Company has issued and allotted 28,00,000 Convertible Warrants at a price of Rs. 33.30 per warrant in terms of special resolution at the Extra Ordinary General Meeting held on 13th May, 2010. The Company has obtained in-principal approval under Clause 24(a) of Listing Agreement from The Bombay Stock Exchange Limited.

5. DIRECTORS

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

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

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

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

7. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

8. PARTICULARS OF EMPLOYEES

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts for the financial year 31st March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Accounts for the financial year ended 31st March, 2010 on a going concern basis.

10. LISTING OF SHARES

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

AXIS CAPITAL MARKETS (INDIA) LIMITED

11. CORPORATE GOVERNANCE

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

12. COMPLIANCE CERTIFICATE

Compliance Certificate to be obtained under Section 383A of the Companies Act, 1956 read with Companies (Issue of Compliance Certificate) Rules, 2001 has been obtained from M/s. P P Shah & Co., Practicing Company secretaries and the same has been attached to this Report.

13. AUDITORS

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

14. MANAGEMENT DISCUSSION AND ANALYSIS

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 engaged in the business of investment and trading in shares.

The performance of the company is therefore, directly dependent on the movement in the stock prices. The years in which the returns from stock markets are positive, the company earns profits and vice versa.

The management had been actively evaluating and pursuing several business ventures and opportunities to reduce the dependence on investment and trading activities. These efforts have fructified into the acquisition of Dipan Mehta Share & Stock Brokers Pvt. Ltd., a reputed stock broking company.

a. Industry Structure and Development

The company is engaged in the business of investment and trading in shares. This is a highly fragmented industry with share trading business being concentrated with stock broking companies. A reduction in the Securities Transaction Tax could give a boost to the trading activity.

b. Business Prospects and Future Plans

The prospects of the company are directly linked to the performance of the stock market. With a view to diversify and expand into the financial services industry, your company has proposed a strategic investment in DMSSB. The endeavor shall be to scale up the operations of this company so as to add value to all the stakeholders.

AXIS CAPITAL MARKETS (INDIA) LIMITED

c. Opportunities and Threats

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

d. Segment-Wise or Product-Wise Performance

Not Applicable.

e. Outlook

The recent rebound in stock prices across the globe has improved the prospects of the company. With the proposed acquisition of a stock broking company viz. Dipan Mehta Share & Stock Brokers Pvt. Ltd., the prospects of your company have considerably brightened .

f. Risk and Concerns

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

g. Internal Control Systems and their Adequacy

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

h. Discussions on Financial Performance with respect to Operational Performance

The fiscal year 2009-10 was the year of recovery. After the crash of October 2008, markets across the world including our stock markets, staged a come back. For the year, the Sensex appreciated by 80.53 %. Your company's portfolio also registered smart gains with the Net Asset Value increasing by a phenomenal 98.46 % from Rs. 14.94 on 31st March, 2009 to Rs. 29.65 on 31st March, 2010.

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

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

j. Material Financial and Commercial Transactions

During the year, there are no major material financial and commercial transactions.

14. ACKNOWLEDGMENT

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

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

Dated : 5th June, 2010

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

Dipan Mehta
Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

CORPORATE GOVERNANCE REPORT (under Clause 49 (VI) (i) of Listing Agreement) *(For the Financial Year 31st March, 2010)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

i) Composition and Category of Directors :

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

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

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

Date of Board Meetings	Anil Mehta	Dipan Mehta	G. B. Desai	Radhika Mehta	Vina Mehta	Dilip Kapadia
30th June, 2009	Present	Present	Present	Present	Present	Present
31st July, 2009	Present	Present	Present	Present	Present	Present
29th October, 2009	Present	Present	Present	Present	Present	Present
29th January, 2010	Present	Present	Present	Present	Present	Present
Total Attendance (out of 4 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 Names of Committees in which the Directors (of ACML) hold Memberships or Chairmanships:

Name of Director	No. of other Company where Director	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. Anil D Mehta	0	Nil	0	Nil	0
Mr. Dipan Mehta	0	Nil	0	AC – ACML SIGC – ACML	2

AXIS CAPITAL MARKETS (INDIA) LIMITED

Name of Director	No. of other Company where Director	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. G.B. Desai	2	AC – ACML SIGC – ACML	2	Nil	0
Ms. Radhika Mehta	0	Nil	0	Nil	0
Ms. Vina Mehta	0	Nil	0	Nil	0
Mr. Dilip Kapadia	0	Nil	0	AC – ACML SIGC – ACML	2

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

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

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

iv) Code of Conduct:

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2010. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

III. AUDIT COMMITTEE

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

Date of Audit Committee Meeting	G.B. Desai	Dipan Mehta	Dilip Kapadia
	Chairman & Non Executive Independent Director	Member & Non Executive Promoter Director	Member & Non-Executive Independent Director
30th June, 2009	Present	Present	Present
31st July, 2009	Present	Present	Present
29th October, 2009	Present	Present	Present
29th January, 2010	Present	Present	Present
Total Attendance (out of 4 meetings)	4	4	4

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

IV. REMUNERATION COMMITTEE

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

AXIS CAPITAL MARKETS (INDIA) LIMITED

Remuneration Policy

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

Name of Director	Sitting Fees
Dilip Kapadia	6,000
Govind .B. Desai	6,000
Dipan Mehta	15,000
Radhika Mehta	15,000
Anil Mehta	40,000
Vina Mehta	40,000

- C. The Company has not issued any stock options or paid any performance linked incentives or fixed component incentives to the Directors.
- D. The Company has not entered into any service contracts with any Directors.
- E. Equity Shares of Axis Capital Markets (India) Limited held by the Non-Executive Directors are as follows:

Non Executive Directors	No. of shares held as on 31st March, 2010	No. of shares held as on 31st March, 2009
Mr. Anil Mehta	7,28,700	7,28,700
Mr. Dipan Mehta	1,24,100	1,24,100
Ms. Radhika Mehta	10,100	10,100
Ms. Vina Mehta	8,49,300	8,49,300
Mr. G.B. Desai	632	Nil
Mr. Dilip Kapadia	Nil	Nil

V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

Date of Shareholders/ Investors Grievance Committee Meeting	G.B. Desai Chairman & Non Executive Independent Director	Dipan Mehta Member & Non Executive Promoter Director	Dilip Kapadia Member & Non- Executive Independent Director
30th June, 2009	Present	Present	Present
31st July, 2009	Present	Present	Present
29th October, 2009	Present	Present	Present
29th January, 2010	Present	Present	Present
Total Attendance (out of 4 meetings)	4	4	4

AXIS CAPITAL MARKETS (INDIA) LIMITED

B. COMPLIANCE OFFICER :

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

C. Complaint Status for the year 01/04/2009 to 31/03/2010 (Equity Shares)

Category	No.of Compl. Received	No.of Compl. Resolved	No.of Compl. Pending
Non Receipt of Credit of Dividend	-	-	-
Non Receipt of Dividend Warrant	2	2	0
Non Receipt of Annual Report	1	1	0
Complaints with SEBI	-	-	-
Complaints with Stock Exchange	-	-	-
Non Receipt of Share Certificates	-	-	-
Non Receipt of Transferred Shares	1	1	0
Total:	4	4	0

VI. GENERAL BODY MEETINGS

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

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date	Location	Time
31.03.08	13th AGM	NIL	29.09.07	2nd Floor, Babubhai Chinai Committee Room, Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.30 A.M.
31.03.09	14th AGM	NIL	27.09.08	HT Parekh Conference Room, Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.30 A.M.
31.03.10	15th AGM	NIL	26.09.09	Indian Merchant Chambers, Churchgate, Mumbai: 400 020	10.00 A.M.

Notes:

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

VII. DISCLOSURES

- i. The Company has not entered into any materially significant related party transactions during the year that may have potential conflict with the interests of the Company at large.
- ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture imposed by the Stock Exchange or any other Statutory Authority, on any matter relating to the capital market

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- over the last three years.
- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
 - iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
 - v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2009 – 2010.
 - vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

VIII. MEANS OF COMMUNICATION

- i. **Quarterly Results:** The quarterly financial results of the company (in the format prescribed by the Listing Agreement) are reviewed by Audit Committee and then, approved and taken on record by the Board within the prescribed time frame and immediately send to the Stock Exchange where the shares of the company are listed.
- ii. The quarterly results for the financial year 2009–10 were published in the News Papers. (Details given below):

Quarter	Results Published in
June, 2009	Free Press Journal, Navshakti
September, 2009	Free Press Journal, Navshakti
December, 2009	Free Press Journal, Navshakti
March, 2010	Free Press Journal, Navshakti
- iii. **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important, information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION

AGM Date, Time & Venue	Date: 3rd July, 2010 Time: 10.00 AM Venue: Indian Merchant Chambers, Churchgate, Mumbai – 400 020
Financial Year:	1st April to 31st March
Book Closure Date:	28th June, 2010 to 3rd July, 2010
Dividend Payment Date:	Not Applicable
Listing on Stock Exchanges:	The Bombay Stock Exchange Limited
Stock Code & Demat Scrip Code (ISIN)	Bombay Stock Exchange Stock Code: 531278 Scrip Code: INE 785D01012
Registrar & Transfer Agents	Bigshare Services Private Limited, Address: E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072 Tel: 40430200 Fax: 28475207 E mail: rajshree@bigshareonline.com Website: www.bigshareonline.com

AXIS CAPITAL MARKETS (INDIA) LIMITED

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

Share Transfer System and Dematerialization of Shares:

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

As on March 31, 2010, 827,579 (27.56%) of the shares of the Company are dematerialized. All these shares are electronically transferred through the demat facility. The balance 21,75,621 (72.44%) of shares are in physical mode. The Company has assigned the job of transfer of shares in physical mode to its Registrar and Share Transfer Agent, Bigshare Services Private Limited. The Shareholders and Investors Grievances Committee takes on record all the physical share transfers from time to time.

Transfers Lodged & Transferred	No. of Transfer Deeds Processed	No. of Shares Transferred
1 – 30 days	8	1000
30 – 60 days	Nil	Nil
Above 60 days	Nil	Nil
Total		

Distribution of Shareholding as on 31st March, 2010:

Range (In Rs.)	No. of Shareholders	% to total Shareholders	Total Shareholding (In Rs.)	% to Capital
1-5000	1,442	87.34%	1,965,470	6.54%
5001 - 10000	104	6.30%	846,270	2.82%
10001 - 20000	39	2.36%	592,510	1.97%
20001 - 30000	21	1.27%	531,800	1.77%
30001 - 40000	8	0.48%	295,360	0.98%
40001 - 50000	10	0.61%	467,890	1.56%
50001 - 100000	5	0.30%	411,130	1.37%
100001 & Above	22	1.33%	24,921,570	82.98%
Total	1,651	100.00%	30,032,000	100.00%

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.

AXIS CAPITAL MARKETS (INDIA) LIMITED

Consolidation of Folios:

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

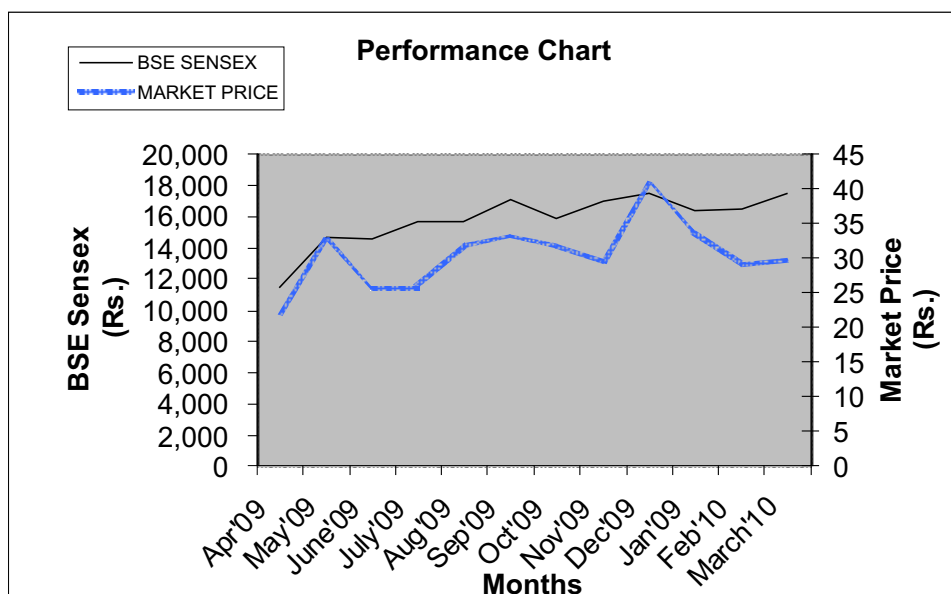
Nomination Facility:

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

Auditors Certificate on Corporate Governance

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

*Performance of equity scrip (Closing Prices) of the company in comparison to BSE Sensex(Closing Prices): Market Price and Volume Data



*Data downloaded from www.bseindia.com

AXIS CAPITAL MARKETS (INDIA) LIMITED

*Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2010:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread(Rs.)	
								H-L	C-O
Apr 09	12.30	23.85	12.30	22.00	14,440	138	2,77,755	11.55	9.70
May 09	23.10	32.35	19.75	32.35	22,698	204	5,83,877	12.60	9.25
Jun 09	33.95	35.60	23.25	25.70	18,454	183	5,59,276	12.35	-8.25
Jul 09	26.00	30.30	21.00	25.80	25,585	304	6,43,986	9.30	-0.20
Aug 09	26.05	31.95	22.50	31.85	49,091	775	13,42,695	9.45	5.80
Sep 09	32.70	36.60	28.50	33.20	44,500	562	14,73,124	8.10	0.50
Oct 09	33.20	35.60	29.05	31.90	44,130	597	14,67,945	6.55	-1.30
Nov 09	32.00	35.00	25.00	29.50	16,341	361	4,90,619	10.00	-2.50
Dec 09	28.00	45.75	25.65	40.50	1,44,111	1,436	55,41,714	20.10	12.50
Jan 10	40.50	41.40	33.10	33.95	21,830	246	8,36,308	8.30	-6.55
Feb 10	33.30	35.70	26.95	29.05	9,005	107	2,74,247	8.75	-4.25
Mar 10	30.50	32.90	26.60	29.70	12,427	297	3,73,159	6.30	-0.80

*Data downloaded from www.bseindia.com

Shareholding Pattern as on 31st March, 2010

Category	No of Shares Held	% of Share Holding
A. Promoter (s) Holding		
Promoter (s)		
- Indian Promoters	2166400	72.14
- Foreign Promoters	0	0
Sub - Total (A)	2166400	72.14
B. Non-Promoter Holding		
Institutional Investors		
i. Mutual Funds & UTI	-	-
ii. Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non-Govt INST)	100	0.33
iii. FII (s)	-	-
Others		
i. Private Corporate Bodies	287242	9.56
ii. Indian Public	547624	18.23
iii. NRI/OCBS	1400	0.04
iv. Clearing Members	434	0.01
Sub - Total (B)	836800	27.86
GRAND TOTAL	3003200	100

AXIS CAPITAL MARKETS (INDIA) LIMITED

Plant Location

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

Registered Office & Correspondence Address

Axis Capital Markets (India) Limited

508, Apeejay House, 130, Bombay Samachar Marg,

Mumbai - 400023. Ph.No: 66365588

Contact Person: Mr. Dipan Mehta, Compliance Officer

Email Address: dipanmehta@vsnl.com

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

Sd/-

Dipan Mehta

Director

Place: Mumbai

Date: 5th June, 2010

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

To,

The Members,

Axis Capital Markets (India) Limited

This is to affirm that the Board of Directors of Axis Capital Markets (India) Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (D) of the Listing Agreement with the Stock Exchange. The Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March, 2010.

Sd/-

Dipan Mehta

Director

Place: Mumbai

Date: 5th June, 2010

AXIS CAPITAL MARKETS (INDIA) LIMITED

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 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the 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 : 5th June, 2010

Sunil Bohra
Partner
Membership No. 39761

AXIS CAPITAL MARKETS (INDIA) LIMITED

**FORM
[SEE RULE 3]**

Co. No. 11 – 83361

Auth. Cap: Rs. 6.0 Crores

COMPLIANCE CERTIFICATE

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

We have examined the registers, records, books and papers of Axis Capital Markets (India) Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company is a public limited company, the restriction clauses as provided in section 3 (1) (iii) of the Companies Act, 1956, is not applicable. The Company has the prescribed minimum paid up capital.
4. The Board of Directors duly met 4 times on 30th June, 2009, 31st July, 2009, 29th October, 2009 and 29th January, 2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed.
5. The company has closed its Register of Members from 21st September, 2009 to 26th September, 2009 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 26th September, 2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year under review.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.

AXIS CAPITAL MARKETS (INDIA) LIMITED

12. The Shareholders/Investors Grievances Committee approves the issue of duplicate share certificates from time to time.
13. The Company has:
- (i) not made any allotment of securities during the financial year. 27.56 % of the shares of the Company are dematerialized and 72.44 % of the shares of the Company are in physical form. The transfer/transmission of shares in dematerialised form is through depository mechanism. The transfer/transmission of physical shares is duly executed by the Company's Registrar and Share Transfer Agent, M/s. Big Share Services Private Limited. The Shareholders/Investors Grievances Committee takes on record all the share transfers/transmission in physical form from time to time. Further, all the share certificates lodged for transfers/transmission are duly delivered to the shareholders in accordance with the provisions of the Act.
 - (ii) not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) not required to pay/post warrants for dividends to all the members as no dividend was declared during the financial year
 - (iv) not required to transfer the amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund (applicable when rules notified).
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any managing director / whole time director / manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other applicable authorities as may be prescribed in the Act during the year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares/debentures/other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956 during the

AXIS CAPITAL MARKETS (INDIA) LIMITED

financial year.

24. The company has not made any borrowings during the financial year.
25. The company has not given guarantees or provided securities or loans to other bodies corporate and consequently no entries are made in the Register kept for the purpose. However the Company has made investments in other Bodies Corporate and the necessary entries were made in the register kept for that purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year under certification as per provisions of section 417(1) of the Act.
33. The company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **P. P. SHAH & CO.**

Place : Mumbai
Date : 5th June, 2010

(PRADIP C. SHAH)
Practising Company Secretary
Partner
Membership: 1483
Certificate of Practice: 436

AXIS CAPITAL MARKETS (INDIA) LIMITED

Annexure A

Registers as maintained by the Company

1. Register of Members u/s. 150.
2. Register of Transfers
3. Register of Directors, Managing Director, Manager and Secretaries u/s. 303.
4. Register of Contracts with the Companies and firms in which directors are directly or indirectly interested u/s. 301.
5. Register of Director's Shareholding u/s. 307.
6. Minutes of the Annual General Meeting/Extra Ordinary General Meeting, Board Meeting under section 193.
7. Minutes of Audit Committee Meeting and Shareholders/Investors Grievances Committee Meeting.
8. Register of Charges.
9. Register of Investments.

Note: Since, 27.56% of the shares of the Company are in dematerialized format, hence, the register of beneficial owners is maintained by the concerned Depository as per Section 11 of Depositories Act, 1996.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

1. Form 23AC containing the Balance Sheet and Form 23ACA containing the Profit & Loss Account for the year ended 31st March, 2009 was filed with the Registrar of Companies, Maharashtra u/s. 220 of the Act on 30th September, 2009.
2. Form 66 containing the Compliance Certificate for the year ended 31st March, 2009 was filed with the Registrar of Companies, Maharashtra u/s. 383A of the Act on 30th September, 2009.
3. Form 20B containing the Annual Return as prescribed Schedule V of the Act in respect of AGM held on 26th September, 2009 was filed with the Registrar of Companies, Maharashtra, u/s. 159 of the Act on 5th November, 2009.

For **P. P. SHAH & CO.**

Place : Mumbai
Date : 5th June, 2010

(PRADIP C. SHAH)
Practising Company Secretary
Partner
Membership: 1483
Certificate of Practice: 436

AXIS CAPITAL MARKETS (INDIA) LIMITED

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of Axis Capital Markets (India) Limited, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been maintained by the company, so far as appears from our examination of the books of account.
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account.
4. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with in this report comply with the requirements of the mandatory Accounting Standards referred in section 211 (3C) of the Companies Act, 1956.
5. In our opinion and on the basis of the information & explanations given to us and on the basis of the written representations received from the directors and taken on record, none of the company's directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanation given to us the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b. In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies (Auditors Report) order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of our audit, we further state on the matters specified in paragraph 4 and 5 of the said order that;

AXIS CAPITAL MARKETS (INDIA) LIMITED

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of any of its fixed assets during the year and the going concern status of the Company is not affected.
2.
 - a) We are informed that the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory, and no discrepancies has been noticed on physical verification of inventory as compared to the book records.
3. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 .
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures with the size of the company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information given to us, the transaction made in pursuance of contracts or arrangement that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanation given to us, where such transactions are in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government not has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
9.
 - a) According to the records of the Company, and the information and explanation given to us undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' state Insurance, income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were

AXIS CAPITAL MARKETS (INDIA) LIMITED

outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable. We are informed that there is no liabilities towards Investor Education and Protection Fund for the year under audit.

- b) According to the information and explanations given to us, the company does not have any dues in respect of Sales Tax, Customs Duty, Income tax and Wealth Tax. Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year. However the company has incurred cash losses in the financial year immediately preceding such financial year.
11. The Company has neither taken any loans from a financial institution or a bank nor issued any debentures. Accordingly clause 4(xi) of the order is not applicable.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the order is not applicable to the Company.
14. According to the information and explanation given to us the Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investment and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. The Company has not raised any term loans during the year. Accordingly, clause 4 (xvi) of the order is not applicable.
17. According to the information and explanations given to us the Company has not raised any funds on short term basis. All assets have been funded by shareholders' funds.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by way of public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Place : Mumbai
Date : 31st May 2010

Sunil Bohra
Partner
Membership No. 39761

AXIS CAPITAL MARKETS (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010	(Amt. in Rupees) As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	30,032,000	30,032,000
Reserves & Surplus	B	41,494,087	25,848,911
		<u>71,526,087</u>	<u>55,880,911</u>
Loan Funds			
Secured Loans		-	-
Unsecured Loans		-	-
		<u>436,901</u>	<u>443,190</u>
Deferred Tax Liabilities (Refer to Note D to Schedule H)		436,901	443,190
TOTAL FUNDS		<u><u>71,962,988</u></u>	<u><u>56,324,101</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	3,393,660	3,393,660
Less Depreciation		1,501,314	1,430,634
Net Block		<u>1,892,346</u>	<u>1,963,026</u>
Investments	D	12,590,084	26,953,075
Current Assets, Loans & Advances			
Stock in Trade	E	50,691,192	14,407,030
Sundry Debtors		7,500,000	12,513
Cash & Bank Balances		527,493	7,052,656
Loans & Advances		3,900,913	8,217,541
		<u>62,619,598</u>	<u>29,689,739</u>
Less: Current Liabilities & Provisions	F		
Sundry Creditors		309,039	311,023
Provisions		4,830,000	6,784,000
		<u>5,139,039</u>	<u>7,095,023</u>
Net Current Assets		<u>57,480,559</u>	<u>22,594,716</u>
Deferred Tax Assests (Refer to Note D to Schedule H)		-	4,813,284
TOTAL ASSETS		<u><u>71,962,988</u></u>	<u><u>56,324,101</u></u>
Notes Forming part of the Accounts	H		

As per our report of even date

For P. C. Surana & Co.
Chartered Accountants

Radhika Mehta
Director

Sunil Bohra
Partner
Membership No. 39761
Place : Mumbai
Date : 31st May, 2010

Dipran Mehta
Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year ended on March 31, 2010	(Amt. in Rupees) Year ended on March 31,2009
INCOME			
Income from Share Trading		28,362,526	-
Dividends Received		564,904	618,460
Other Income		29,668	470,920
TOTAL INCOME		28,957,098	1,089,380
EXPENDITURE			
Loss on Sale of Investments		1,597,746	9,659,302
Loss from Share Trading		-	13,861,283
Administrative & other Expenses	G	655,300	513,708
Depreciation		70,680	70,680
TOTAL EXPENDITURE		2,323,726	24,104,973
Profit / (Loss) before Tax		26,633,372	(23,015,593)
Add / (Less) : Securities Transaction Tax		(16,912)	(21,080)
Provision for Current Tax		(4,830,000)	-
Deferred Tax		(4,806,995)	4,808,669
Profit After Tax		16,979,465	(18,228,004)
Prior Period's Expenses			
Adjustment in earlier years' taxation		(1,334,289)	4,081
		15,645,176	(18,223,923)
Balance brought forward from last year		18,036,911	36,260,835
Profit available for appropriation		33,682,087	18,036,911
Less: Appropriations			
Proposed Dividend		-	-
Tax on Dividend		-	-
Transfer to General Reserve		-	-
Balance carried to Balance Sheet		33,682,087	18,036,911
Basic and Diluted Earnings(Loss) Per Share (Face Value of Rs. 10 each)		5.21	(6.07)
Notes Forming part of the Accounts	H		

As per our report of even date

For P. C. Surana & Co.
Chartered Accountants

Radhika Mehta
Director

Sunil Bohra
Partner
Membership No. 39761
Place : Mumbai
Date : 31st May, 2010

Dipankar Mehta
Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2010	As at March 31, 2009
SCHEDULE - A		
Share Capital		
Authorised		
35,00,000 (Previous Year 35,50,000) Equity Shares of Rs. 10 each	<u>35,000,000</u>	<u>35,000,000</u>
Issued Subscribed & Paid up Capital		
30,03,200 (Previous Year 30,03,200) Equity Shares of Rs.10 each fully paid up	<u>30,032,000</u>	<u>30,032,000</u>
SCHEDULE - B		
Reserves & Surplus		
General Reserves		
At the commencement of the year	7,812,000	7,812,000
Add : Transferred from Profit & Loss Account during the year	-	-
	<u>7,812,000</u>	<u>7,812,000</u>
Profit & Loss A/c balance carried forward	<u>33,682,087</u>	<u>18,036,911</u>
	<u>41,494,087</u>	<u>25,848,911</u>

SCHEDULE - C

Description	Office Premises	Furniture	Computers	Fixed Assets		Previous Year
				Air Conditioners	Total	
Gross Block						
As at April1,2009	2,378,300	430,509	541,351	43,500	3,393,660	3,393,660
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March31,2010	2,378,300	430,509	541,351	43,500	3,393,660	3,393,660
Depreciation						
Up to March 31, 2009	520,063	347,447	537,314	25,810	1,430,634	1,359,954
For the Year	38,760	26,820	3,036	2,064	70,680	70,680
Up to March 31, 2010	558,823	374,267	540,350	27,874	1,501,314	1,430,634
Net Block						
As at March31,2010	<u>1,819,477</u>	<u>56,242</u>	<u>1,001</u>	<u>15,626</u>	<u>1,892,346</u>	<u>1,963,026</u>
As at March31,2009	<u>1,858,237</u>	<u>83,062</u>	<u>4,037</u>	<u>17,690</u>	<u>1,963,026</u>	<u>2,033,706</u>

AXIS CAPITAL MARKETS (INDIA) LIMITED

SCHEDULE - D

	Qty	As at March 31, 2010	Qty	As at March 31, 2009
Investments (Long Term and at Cost)				
(As Valued, verified and certified by management)				
Quoted Equity Shares - Fully Paid up				
3i Infotech Ltd.	10,000	1,186,384	10,000	1,186,384
Agro Dutch India Ltd.	-	-	25,100	1,137,211
Allied Digital Ltd	-	-	1,000	775,689
Bharti Shipyard Ltd.	4,000	662,015	4,000	662,015
Compact Disc Ltd.	8,000	280,370	10,000	351,650
Deccan Chronicle Holdings Ltd.	5,000	362,126	5,000	362,126
Divi's Laboratories	1,500	44,662	1,700	1,524,701
DLF LTD	-	-	200	130,304
Geodesic information systems ltd	-	-	3,650	228,047
ICSA Industries Ltd.	-	-	6,500	1,100,908
Jaiprakash Associates Lts.	-	-	4,500	1,621,168
Jindal Steel & Power Ltd.	20,000	-	4,000	1,385,024
JSW Steel Ltd	-	-	3,000	2,482,572
Kamat Hotels Ltd.	-	-	7,000	753,819
Karuturi Global Ltd.	-	-	35,000	281,300
Lakshmi Machine Works	-	-	470	987,501
Larsen & Toubro Ltd.	2,600	2,330,216	1,300	2,330,216
Magnum Intermediates Ltd.	5,600	112,560	5,600	112,560
Mphasis Ltd.	6,000	1,167,020	6,000	1,167,020
Network 18 Media & Investment Ltd	176	4,373	88	4,400
Network 18 5% Partly cum Preference Share	88	17,600	88	13,200
NIIT Ltd.	-	-	23,500	809,113
Nuclues Software Ltd.	-	-	5,000	716,067
Orissa Extrusions Ltd.	100	549	100	549
Omega Industries Ltd.	500	65,350	500	65,350
Pantaloon Retail Ltd. Class B (Sr-1)	200	-	200	-
Patel Enginnering Ltd.	1,915	586,729	1,915	586,729
Sankhya Infotech Ltd.	-	-	10,000	250,000
Suzlon India Ltd.	9,855	2,513,881	9,855	2,513,881
Tech Mahindra Ltd.	2,000	3,246,199	2,000	3,246,199
Television Eighteen Networks Ltd.	-	-	3,360	114,374
Vakrangee Software	-	-	1,800	42,948
Varun Seacon Ltd.	1,000	10,050	1,000	10,050
Total (A)		12,590,084		26,953,075
(Aggretgate Market Value of Quoted Investments as at March 31, 2010 is Rs. 30,106,175 Previous Year Rs. 15,943,642)				

AXIS CAPITAL MARKETS (INDIA) LIMITED

	As on March 31, 2010	As on March 31, 2009
SCHEDULE - E		
Current Assets, Loans & Advances		
Stock In Trade	50,691,192	14,407,030
(As valued & certified by the Management)	<u>50,691,192</u>	<u>14,407,030</u>
Sundry Debtors		
(Unsecured and considered good)		
More than six months	-	-
Others	7,500,000	12,513
Note: Includes a sum of Rs. 75,00,000 (Previous year Nil) due from Dipan Mehta Share & Stock Brokers Pvt. Ltd., a company under the same management (Maximum amount due Rs.75,00,000; Previous year Rs. Nil)	<u>7,500,000</u>	<u>12,513</u>
Cash and Bank Balances		
Balance with Scheduled Banks	450,380	6,975,543
Cash in Hand	77,113	77,113
	<u>527,493</u>	<u>7,052,656</u>
Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	-	4,373
Advance Tax and TDS	3,900,913	8,213,168
	<u>3,900,913</u>	<u>8,217,541</u>
Total	<u>62,619,598</u>	<u>29,689,739</u>
SCHEDULE - F		
Current Liabilities & Provisions		
Sundry Creditors		
Sundry Creditors for Trades and Expenses	66,510	70,105
Other Liabilities	242,529	240,918
	<u>309,039</u>	<u>311,023</u>
Provisions		
Provision for Taxation	4,830,000	6,784,000
Proposed Dividend	-	-
	<u>4,830,000</u>	<u>6,784,000</u>
Total	<u>5,139,039</u>	<u>7,095,023</u>

AXIS CAPITAL MARKETS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year ended on March 31, 2010	For the Year ended on March 31, 2009
SCHEDULE - G		
Administrative & other Expenses		
Professional Fees	318,381	200,438
Printing and Stationery	11,004	21,711
Auditors Remuneration	44,575	42,575
Listing Fees	11,030	11,084
Bank Charges	30	319
Advertisements	71,086	43,152
Registrar Charges	1,500	1,000
Rates & Taxes	4,712	11,717
Subscription Fees	13,245	8,990
Directors' Sitting Fees	122,000	132,000
Miscellaneous Expenses	57,737	40,722
	<u>655,300</u>	<u>513,708</u>

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

Radhika Mehta
Director

Sunil Bohra
Partner
Membership No. 39761
Place : Mumbai
Date : 31st May, 2010

Dipan Mehta
Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

SCHEDULE - H

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

A] STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

BASIS OF PREPARATION

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.

FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation on Fixed Assets is provided on a pro-rata basis in the Straight Line Method at the rates prescribed by Schedule XIV of the Companies Act, 1956, from the month of purchase/acquisition of assets.

INVESTMENTS

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

STOCKS IN TRADE

Stocks in trade are valued at lower of cost and 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 liabilities arising on account of timing differences arising between taxable income and accounting income and which are capable of reversal in subsequent periods, are recognized using the currently enacted tax rates and tax laws.

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

EARNING PER SHARE

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

- B] In the opinion of the board, Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

AXIS CAPITAL MARKETS (INDIA) LIMITED

C] Payment to auditors

	2009-10 (Rs.)	2008-09 (Rs.)
For Statutory Audits	27,575	27,575
For Taxation Matters	17,000	15,000
Total	44,575	42,575

D] The Deferred Tax Assets and Deferred Tax Liabilities are on the following timing differences:

	2009-10 (Rs.)	2008-09 (Rs.)
Deferred Tax Liabilities		
Depreciation	4,36,901	4,43,190
Total	4,36,901	4,43,190
Deferred Tax Assets		
On unabsorbed business losses and capital losses to be set-off against incomes of subsequent years	-	48,13,284
Total	48,13,284	48,13,284

E] Earning Per Share (EPS) :

In terms of Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the calculation of EPS is given below :

	2009-10 (Rs.)	2008-09 (Rs.)
Net Profit / (Loss) as per Profit & Loss Account	15,645,176	(18,223,923)
Weighted Average No. of Equity Shares	30,03,200	30,03,200
Basic and Diluted Earnings (Loss) Per Share	5.21	(6.07)
Nominal Value of Shares	10.00	10.00

F] As the company's business activity fall within a single and primary business segment viz. trading and investment in share 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.

G] Related party disclosures for the year ended March 31, 2010 pursuant to Accounting Standard As-18

[1] **Related Party and their relationship**

Associates

Dipan Mehta Share & Stock Brokers Pvt. Ltd.

Dipan Mehta Commodities Pvt. Ltd.

Exacta Investments Pvt. Ltd.

Key Management Personnel and their relatives

Mrs. Radhika Mehta

Mr.Dipan Mehta

AXIS CAPITAL MARKETS (INDIA) LIMITED

[2] Nature of Transaction	Associates	Key Management Personal (incl. relatives)
Brokerage Paid	8,37,324 (2,71,374)	Nil
Interest Received	29,293 (4,60,579)	Nil
Director Sitting Fees	Nil	1,10,000 (1,20,000)

Note : Figures in the brackets are for the previous year.

H] Previous Years figures have been regrouped and recast wherever necessary.

I] The company is dealing in shares and securities. Therefore information required under paragraph 3,4D and 4D of the Schedules VI of the Companies Act, 1956 are not applicable.

J] Earnings and Expenditure in Foreign Currency

	2009-10 Rs.	2008-09 Rs.
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

As per our report of even date

For P. C. Surana & Co.

Chartered Accountants

Sunil Bohra

Partner

Membership No. 39761

Place : Mumbai

Date : 31st May, 2010

Radhika Mehta

Director

Dipan Mehta

Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	11-83361	State Code	11
Balance Sheet Date	March 31, 2010		

II. Capital Raised During the Year (Rs. '000)

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Rs. '000)

Total Liabilities	71,963	Total Assets	71,963
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Sources of Funds

Paid up Capital	30,032	Reserves & Surplus	41,494
Secured Loans	NIL	Unsecured Loans	NIL
Deffered Tax Liabilities	437		

Application of Funds

Net Fixed Assets	1,892	Investments	12,590
Net Current Assets	57,481	Miscellaneous Expenditure	NIL
Deffered Tax Assests	-		

IV. Performance of the Company (Rs.'000)

Turnover	28,957	Total Expenditure	2,324
Profit / (Loss) before Tax	26,633	Profit / (Loss) after Tax	15,645
Earnings Per Share (Rs.)	5.21	Dividend Rate (%)	NIL

V. GENERIC NAMES OF THREE PRINCIPLE PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	N.A.	Products Description	N.A.
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As per our report of even date
For P. C. Surana & Co.
Chartered Accountants

Radhika Mehta
Director

Sunil Bohra
Partner
Membership No. 39761
Place : Mumbai
Date : 31/05/2010

Dipan Mehta
Director

AXIS CAPITAL MARKETS (INDIA) LIMITED

CASH FLOW STATEMENT

	For the year Ended on March 31, 2010	For the year Ended on March 31, 2009
A. Cash Flow From Operating Activities		
Net Profit / (Loss) before Tax	26,633,372	(23,015,593)
Adjusted for		
Depreciation	70,680	70,680
Dividend and Interest Income	(594,197)	(1,079,552)
Loss / (Profit) on Sale of Investment	(1,597,746)	9,659,302
Interest Expense		
Operating Profit / (Loss) before Working Capital Changes	24,512,109	(14,365,163)
Adjustment for Working Capital changes		
(Increase) / Decrease in Trade and Other Receivables	(7,483,114)	4,486,783
(Increase) / Decrease in Stock in Trade	(36,284,162)	10,812,920
Increase / (Decrease) in Current Liabilities	(1,984)	(102,703)
Net Cash generated from Working Capital changes	(43,769,260)	15,197,001
Cash Flow from Operating Activities	(19,257,151)	831,838
Income Tax, TDS & STT Paid	(3,822,946)	(448,272)
Net Cash Flow from Operating Activities	(23,080,097)	383,566
B. Cash Flow from Investing Activities		
Dividend and Interest Income	594,197	1,079,552
Profit / (Loss) on Sale of Investments	1,597,746	(9,659,302)
(Purchase) / Sale of Investments (net)	14,362,992	17,894,061
Net Cash Flow from Investing Activities	16,554,935	9,314,310
C. Cash Flow from Financing Activities		
Dividend paid	-	(6,006,400)
Tax on dividend	-	(1,020,788)
Net Cash Flow from Financing Activities	-	(7,027,188)
Net Increase in Cash and Cash Equivalents (A+B+C)	(6,525,163)	2,670,688
Opening Balance of Cash and Cash Equivalents	7,052,656	4,381,968
Closing Balance of Cash and Cash Equivalents	527,493	7,052,656

As per our report of even date

For P. C. Surana & Co.

Chartered Accountants

Radhika Mehta

Director

Sunil Bohra

Partner

Membership No. 39761

Place : Mumbai

Date : 31/05/2010

Dipan Mehta

Director

ATTENDANCE SLIP
AXIS CAPITAL MARKETS (INDIA) LIMITED
 Registered Office: 508, Apeejay House,
 130, Bombay Samachar Marg, Fort, Mumbai 400 023.

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

I, hereby record my attendance at the Sixteenth Annual General Meeting to be held on Saturday 3rd July, 2010 at Indian Merchant Chambers, Churchgate, Mumbai 400 020 at 10.00 a. m.

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

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

SIGNATURE OF THE SHARE HOLDER OR PROXY _____

PROXY
ATTENDANCE SLIP
AXIS CAPITAL MARKETS (INDIA) LIMITED
 Registered Office: 508, Apeejay House,
 130, Bombay Samachar Marg, Fort, Mumbai 400 023.

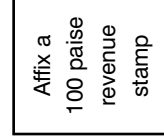
*DP ID :	*CLIENT ID :
**FOLIO NO. :	

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

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

 of
 (or failing him) of.....
 as my/our Proxy to attend and vote for me/us and on my/our behalf
 at the Sixteenth Annual General Meeting of the Company to be held
 on Saturday 3rd July, 2010 at 10.00 a.m. at Indian Merchant
 Chambers, Churchgate, Mumbai 400 020 and at any adjournment
 thereof.

AS WITNESS my hand/our hands this day of 2010.



SIGNATURE OF THE SHAREHOLDER OR PROXY:

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

Name of the Shareholder(s) :