

**Nineteenth  
Annual  
Report &  
Accounts  
2012- 2013**

**AXIS CAPITAL MARKETS (INDIA) LIMITED**



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

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**BOARD OF  
DIRECTORS**

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

**BANKERS**

HDFC BANK

**AUDITORS**

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

**REGISTERED OFFICE**

58, MITTAL CHAMBERS,  
228, NARIMAN POINT,  
MUMBAI - 400 021

**SHARE TRANSFER AGENTS**

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

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

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## **NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the Shareholders of **AXIS CAPITAL MARKETS (INDIA) LIMITED** will be held on 31st day, August, 2013 at 10.00 a.m. at Ashok Birla Board Room, Indian Merchant Chambers, Churchgate, Mumbai - 400 020. to transact the following business:

### **ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, 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 ratify interim dividend @ 15% i.e Rs.1.50 per equity share for the financial year 2012-2013.
- 3) To declare final dividend @ 7.5% i.e. Rs. 0.75 per equity share for the financial year ended 31st March, 2013.
- 4) To appoint a Director in place of Mr. Govindbhai Desai who retires by rotation and being eligible offers himself for re-appointment.
- 5) To re-appoint Auditors of the Company and to fix their remuneration.

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

Dated : 30<sup>th</sup> May, 2013  
Place : Mumbai

**Dipan Mehta**  
Director

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

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## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. 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.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 24th August, 2013 to Saturday, 31st August, 2013 (both the days inclusive).
5. 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.
6. 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.
7. 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.
8. 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.
9. Pursuant to provisions of Section 205A and Section 205C of the Companies Act, 1956, dividend for the financial year March 31, 2006 and dividend declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956.

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Last date of claiming Unpaid Dividend</b>
Final Dividend for the year 2005 - 2006	17th June, 2006	22nd July, 2013
Final Dividend for the year 2006 - 2007	29th September, 2007	3rd November, 2014
Final Dividend for the year 2007 - 2008	27th September, 2008	1st November, 2015
Interim Dividend for the year 2012-2013	23rd October, 2012	27th November, 2019

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

# AXIS CAPITAL MARKETS (INDIA) LIMITED

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## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2013.

### 1. FINANCIAL RESULTS

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Revenue from Operations	-	3,160,927
Other Income	1,541,156	6,410,940
Total Revenue	1,541,156	9,571,867
Less : Expenses		
Finance Costs	-	-
Depreciation and amortization expenses	119,676	143,895
Other expenses	658,812	556,574
Total Expenses	778,488	700,469
Profit/(Loss) before Exceptional Items & Taxes	762,668	8,871,398
Exceptional Items	-	-
Profit / (Loss) before Extraordinary items Taxes	762,668	8,871,398
Extraordinary items	-	-
Profit before tax	762,668	8,871,398
Less : Tax		
Current tax	(159,774)	(1,769,348)
Deferred tax	(1,038)	35,063
Adjustment in Taxation in earlier years	-	-
Total Taxes	(160,812)	(1,734,285)
Profit / (Loss) for the period	601,856	7,137,113

### 2. DIVIDEND

In November, 2012 your directors declared an interim dividend @ 15% i.e Rs.1.50 per equity share for the financial year 2012-2013.

The Board of Directors have recommended a final dividend @ 7.5% i.e. Rs. 0.75 per equity share for the financial year ended 31st March, 2013.

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

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### **3. OPERATIONS**

During the year under review the company made a profit of Rs. 15.11 lakhs from sale of investment.

Its subsidiary company, Axis Equities Pvt. Ltd (AEPL), reported a significant improvement in its operations. Revenue from the core business of share trading, broking and portfolio management tripled to Rs. 215.95 lakhs. This spurt in income was driven by higher arbitrage and share trading profits. The company made a net loss of Rs. 25.63 lakhs which mainly on account of loss on sale of investments of Rs. 99.80 lakhs.

### **4. DIRECTORS**

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

### **5. SUBSIDIARY COMPANIES**

As on 31st March, 2013, the Company has following three subsidiaries:

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

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

### **6. CONSOLIDATION OF FINANCIAL STATEMENTS**

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

### **7. 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

### **8. FIXED DEPOSITS**

The Company has not accepted any deposits from the public.

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

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## **9. 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.

## **10. 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, 2013 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, 2013 on a going concern basis.

## **11. LISTING OF SHARES**

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

## **12. 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.

## **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*



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*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, arbitrage and trading in shares. For the year under review, only investment activity was carried out. The company's subsidiary Axis Equities Pvt. Ltd., which is also engaged in stock broking, portfolio management and demat services, carried out arbitrage and trading in shares.

**a. 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.

**b. 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.

**c. Opportunities and Threats**

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

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

Not Applicable

**e. Outlook**

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

**f. Risk and Concerns**

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

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

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

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

During the year under review the company made a profit of Rs. 15.11 lakhs from sale of investment.

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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Its subsidiary company, Axis Equities Pvt. Ltd (AEPL), reported a significant improvement in its operations. Revenue from the core business of share trading, broking and portfolio management tripled to Rs. 215.95 lakhs. This spurt in income was driven by higher arbitrage and share trading profits. The company made a net loss of Rs. 25.63 lakhs which mainly on account of loss on sale of investments of Rs. 99.80 lakhs.

**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 were no material financial or commercial transactions.

### 15. ACKNOWLEDGMENT

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

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

Dated : 30<sup>th</sup> May, 2013

Registered Office:  
58, Mittal Chambers,  
228, Nariman Point,  
Mumbai 400 021.

**Dipan Mehta**  
Director

**Radhika Mehta**  
Director