

**Twentieth  
Annual  
Report &  
Accounts  
2013- 2014**

**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)

**FORM A**

**ANNUAL AUDIT REPORT**

1	Name of the Company	AXIS CAPITAL MARKETS (INDIA) LIMITED	
2	Annual financial statement for the year ended	31 <sup>st</sup> March, 2014	
3	Type of Audit Observation	<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, 2014 are un-qualified in nature.	
4	Frequency of Observation	Whether appeared first time Whether appeared repetitive ..... Since how long (period)	<b>Not Applicable</b> <b>Not Applicable</b> <b>Not Applicable</b>

5	<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**

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

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## **NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of **AXIS CAPITAL MARKETS (INDIA) LIMITED** will be held on 23rd August, 2014 at 10.00 a.m. at Ashok Birla Hall, 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, 2014, 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 declare final dividend @ 12.5% i.e. Re. 1.25 per equity share for the financial year ended 31st March, 2014.
- 3) To appoint a Director in place of Ms. Vina Mehta who retires by rotation and being eligible offers herself for re-appointment.
- 4) To re-appoint Auditors of the Company and to fix their remuneration.

### **SPECIAL BUSINESS**

- 5) To appoint Shri Dilipkumar Kapadia (DIN: 01117939) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an ordinary 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, Shri Dilipkumar Kapadia (DIN: 01117939), who was appointed as a Director liable to retire by rotation 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 Annual General Meeting of the Company to be held in the calendar year 2019.”

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

Dated : May 30, 2014  
Place : Mumbai

**Dipan Mehta**  
Director

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

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### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement for pursuant to section 102 of the Companies Act, 1956 is attached to the notice.
4. Relevant document referred to in the accompanying notice and statement are open for inspection by the members at the registered office of the company on all working day, except Saturdays during business hours up to the date of the meeting.
5. 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.
6. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, 20th August, 2014 to Saturday, 23rd August, 2014 (both the days inclusive).
7. 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.
8. 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.
9. 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.
10. 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.
11. 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 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
Final Dividend for the year 2012 - 2013	31st August, 2013	5th October, 2020

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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12. 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.
13. **E-Voting:** In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

### Process for E-Voting –

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Now, click on “Shareholders” tab to cast your votes.
- iii) Select the Electronic Voting Sequence Number “EVSN” along with “Axis Capital Markets (India) Limited” from the drop down menu and click on “SUBMIT” for voting.
- iv) Now, fill up the following details in the appropriate boxes:

User – ID	For shareholders holding shares in Demat Form:(a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID(b) For CDSL: 16 digits beneficiary IDFor Shareholders holding shares in Physical Form:Folio Number registered with the Company.
Password*	(1) For shareholders receiving Annual Report through e-mail, Password along with EVSN and User ID will be provided by CDSL for e-voting purpose. (2) For shareholders receiving physical copies of Annual Report, the Password along with EVSN and User ID is mentioned in the Admission Slip.
PAN**	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department.

\* If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and have cast your vote earlier for EVSN of any company, then your existing User Id and Password are to be used.

\*\* Shareholders who have not updated their PAN with the Company / Depository Participants are requested to use Default Character as mentioned below. After entering these details appropriately, click on “SUBMIT”.

Default Character: **AXISCAPITAL1234** (for Shareholders not having PAN).

- v) Shareholders holding shares in physical form will have to use the User ID, Password and PAN/Default character to vote on resolutions for a particular EVSN only and would be taken directly to the voting screen.
- vi) After logging in, Demat shareholders will have to mandatorily change their password. The new password has to be eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character like @, #, \$, %, ^, &, \*. This password can be used by Demat holders for all future voting on resolutions of companies in which they are eligible for vote, provided that the company has opted 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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Physical shareholders will be provided with a fresh password for every e-voting.

- vii) You can also update your mobile no. and email id in the user profile details of the folio which may be used for sending communication(s) regarding e-voting system in future. The same may be used in case the member forgets the password and it needs to be reset.
  - viii) Now you are ready for e-voting as Cast Vote page opens.
  - ix) On the voting page, you will see Resolution Description with the options of 'YES/NO' for voting for each of the resolution. Enter the number of shares (which represents number of votes) under YES/NO. The total number of votes in YES and NO taken together should not exceed the total shareholding. A member need not use all his/her votes.
  - x) Security holders can also view the e-voting Notice and Resolution details by clicking on the Resolution File Link.
  - xi) Cast your vote by selecting appropriate option and click on "SUBMIT" and "CONFIRM" when prompted.
  - xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xiii) In case you have any queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agent or send mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [dipanmehta@vsnl.com](mailto:dipanmehta@vsnl.com).
  - xiv) Voting can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.
  - xv) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail to [shahpradipcs@gmail.com](mailto:shahpradipcs@gmail.com). A copy should also be marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) without which the vote, shall not be treated as valid. The relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) should be mailed before the voting period ends.
  - xvi) E-voting period will commence from Saturday, 16th August, 2014 at 10:01 a.m. and will end on Tuesday, 19th August, 2014 at 6:00 p.m.. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cutoff date of Monday, 21st July, 2014 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - xvii) Mr. Pradip Shah, Partner of P. P. Shah & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - xviii) The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.axiscapitalmarkets.com](http://www.axiscapitalmarkets.com) and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
18. Information required under Clause 49 IV G of the Listing Agreement relating to Corporate Governance with respect to the Director being appointed and Directors retiring by rotation and being eligible, seeking re-appointment is as under:

## AXIS CAPITAL MARKETS (INDIA) LIMITED

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I.

Particulars	<b>Ms. Vina Mehta</b>
Date of Birth	30/10/1940
Date of Appointment	30/11/1994
Qualifications	B.Com
Expertise in specific functional areas	Experience in share investment since 30 years.
Directorships in other Public Limited Companies	NIL
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	NIL

II.

Particulars	<b>Mr. Dilipkumar Kapadia</b>
Date of Birth	22/11/1966
Date of Appointment	27/11/2006
Qualifications	Chartered Accountant
Expertise in specific functional areas	Practicing as Chartered Accountant since 23 years
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**

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## **DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014.

### **1. FINANCIAL RESULTS**

	<b>For the Year ended March 31, 2014</b>	<b>For the Year ended March 31, 2013</b>
Revenue from Operations	-	-
Other Income	4,360,768	1,541,156
Total Revenue	4,360,768	1,541,156
Less : Expenses		
Depreciation and amortization expenses	117,075	119,676
Other expenses	1,054,467	778,488
Profit/(Loss) before Exceptional Items & Taxes	3,306,301	762,668
Exceptional Items	-	-
Profit / (Loss) before Extraordinary items Taxes	3,306,301	762,668
Extraordinary items	-	-
Profit before tax	3,306,301	762,668
Less : Tax		
Current tax	-	(159,774)
Deferred tax	(392)	(1,038)
Adjustment in Taxation in earlier years	495,843	-
Total Taxes	495,451	(160,812)
Profit / (Loss) for the period	3,801,752	601,856

### **2. DIVIDEND**

The Board of Directors has recommended a final dividend @ 12.5% i.e. Re. 1.25 per equity share for the financial year ended 31st March, 2014. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

### **3. OPERATIONS**

The company is the holding company of Axis Equities Pvt. Ltd. (AEPL). During the year under review a dividend of Rs. 43.52 lakhs was received from the subsidiary company.

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

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Axis Equities Pvt. Ltd, reported a significant improvement in its operations. Revenue from the core business of share trading, broking and portfolio management increased by 66.68 % to Rs. 359.96 lakhs. This spurt in income was driven by higher arbitrage and share trading profits. AEPL made a Net Profit after Tax of Rs. 119.95 lakhs for the financial year and has proposed to pay a dividend of Rs. 5.75 per share.

### **4. DIRECTORS**

Ms. Vina Mehta, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment.

In terms of the articles of association of the Company, section 149 (10) of the Companies Act, 2013 and revised clause 49 of Listing Agreement dealing with Corporate Governance norms, Mr. Dilipkumar Kapadia has completed 5 years term as Independent Directors as on 1st April, 2014. The Company proposes to re-appoint them, as Independent Directors for a further period of 5 years till 2019. The Company has received requisite notices in writing from members proposing Mr. Dilipkumar Kapadia for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet 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.

### **5. SUBSIDIARY COMPANIES**

As on 31st March, 2014, 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.

**Statement pursuant to general exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies**