



AMIT SECURITIES LIMITED

**19th ANNUAL REPORT
2010-2011**



Amit Securities Limited

AMIT SECURITIES LIMITED

NINETEENTH ANNUAL REPORT

2010-2011

BOARD OF DIRECTORS

Shri Arun Jain

Shri Vishnu Kumar Gupta

Shri Vineet Gupta

Shri Shirish Agrawal

Managing Director

Director

Director

Director

AUDIT COMMITTEE

Shri Vishnu Kumar Gupta

Shri Shirish Agrawal

Shri Vineet Gupta

Chairman

Member

Member

BANKERS

Bank of India

HDFC Bank

AUDITORS

M/s M.METHA & CO.

Chartered Accountants

11/5, South Tukoganj,

INDORE - 452 001

REGISTRAR & SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd

60, Electronic Complex,

Pardeshipura,

INDORE - 452 010

REGISTERED OFFICE

1st Floor Swadeshi Market,

316, Kalbadevi Road,

Mumbai-Maharashtra 400002

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NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON FRIDAY, THE 30TH DAY OF SEPTEMBER, 2011 AT 3.00 P.M. AT REGISTERED OFFICE OF THE COMPANY AT 1ST FLOOR, SWADESHI MARKET, 316, KALBADEVI ROAD, MUMBAI, MAHARASHTRA- 400002 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet, Profit and Loss Account for the year ended 31st March, 2011 and the Report of the Directors and Auditors thereon.
- 2) To appoint Director in place of Shri Vishnu Kumar Gupta who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint Auditors M/s. M. Mehta & Co. Chartered Accountants to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors
for Amit Securities Limited

Arun Kumar Jain
(Chairman)

Place: - Indore
Dated: - August 31, 2011

Regd. Office: -
1st Floor, Swadeshi Market,
316, Kalbadevi Road,
Mumbai, Maharashtra- 400002

NOTES:

1. A MEMBER ENTITLED TO ATTAIN AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 27th September, 2011 to Friday, 30th September, 2011 (both days inclusive).
3. The shares of the Company are listed at the stock exchanges at Mumbai and Indore.



Amit Securities Limited

4. Members are requested to send their queries, if any, at least ten days before the date of the meeting so as to enable the Company to keep the information ready.
5. Members are requested to notify to the Company immediately any change in their address.
6. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
7. Shri Vishnu Kumar Gupta is a Bachelor of Commerce having varied experience of over 23 years in the field of finance, taxation and marketing.

By Order of the Board of Directors
for Amit Securities Limited

Arun Kumar Jain
(Chairman)

Place: - Indore

Dated: - August 31, 2011

Regd. Office: -

1st Floor, Swadeshi Market,

316, Kalbadevi Road,

Mumbai, Maharashtra- 400002



DIRECTORS REPORT

TO,
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS:

Particulars	Figures in Rs.	
	Current Year (2010-11)	Previous Year (2009-10)
GROSS INCOME	1,68,37,509	91,23,256
PROFIT BEFORE DEPRECIATION	6,31,879	17,40,705
DEPRECIATION	11,418	62,690
PROVISIONS FOR TAXATION	3,12,580	5,92,253
NET PROFIT AFTER TAXATION	3,07,881	9,95,316
ADD PROFIT/LOSS BROUGHT FORWARD	1,47,82,432	1,37,87,116
SURPLUS CARRIED TO BALANCE SHEET	1,50,90,313	1,47,82,432

2. DIVIDEND:

In order to conserve the resources directors deemed it prudent not to declare dividend.

3. DIRECTORS:

To appoint Director in place of Shri Vishnu Gupta who retires by rotation and being eligible offers himself for reappointment.

4. FIXED DEPOSIT:

The Company has not accepted any Deposits under the provisions of section 58A of The Companies Act, 1956 and the Rules made there under.

5. STATEMENT UNDER SECTION 217 OF THE COMPANIES ACT 1956:

There were no employees in the Company who if employed through out the Financial Year, were in receipt of remuneration, whose particulars, if so employed, are require to be included in the Report of Directors in accordance with the provisions of section 217(2A) of The Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

6. DISCLOSURE OF INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

The Company is not a manufacturing Company and as such the requirement under the aforesaid rules for disclosure of information as regards conservation of energy and technology absorption is not applicable to the Company. The Company has not carried on, during the year under Review; any activity relating to exports and has not used or earned any foreign exchange.



7. AUDITORS:

M/s. M.MEHTA & CO., Chartered Accountants the retiring auditors eligible and offer themselves for reappointment. The Board recommends for their reappointment.

8. DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors hereby report:

- a. That in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to purchase and sales.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of profit and loss account of the profit for the year ended 31st March, 2011.
- c. 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 deleting fraud and other irregularities.
- d. That the Directors have prepared the annual accounts on a going concern basis.

9. CORPORATE GOVERNANCE:

A Separate report on Corporate Governance along with Auditors' Certificate on its compliance is attached to this report.

10. ACKNOWLEDGEMENTS:

The Board wishes to place on record their gratitude for the co-operation being received from the Banks, Share Transfer Agent, Stock Exchanges, Share Holders and thank them for their continued support.

**By Order of the Board
for Amit Securities Limited**

**Arun Kumar Jain
(Managing Director)**

**Shirish Agrawal
(Director)**

Place: Indore

Date : 31/08/2011

Regd. Office:

1st Floor Swadeshi Market,
316, Kalbadevi Road,
Mumbai-Maharashtra 400002



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall review of the economy

The performance of the Indian economy in 2009-10 greatly exceeded expectations. The overall GDP growth in 2010-11 has now been revised to 8.5% (against projections of 8.6%) with agriculture growing at 6.6%, services by 9.4% and industry at 7.9%. Though there is some slowdown in industrial growth, partly due to the base effect from the previous year, growth drivers of the Indian economy are broadly intact.

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualize strong economic growth in the advanced economies in 2010 and to a large extent in 2011. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

Industry Structure and Developments

Non-Banking Finance Company's are the important entities engaged in the field of finance and investment, which is the primary business of your company. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. As a result, interest rates in India have historically experienced a relatively high degree of volatility. The availability of efficient financial services has been a key driver of business growth and profitability.

The discussion on the financial performance of the Company is covered in the Director's report.

Opportunities and Risk Management

The company is in the process of implementing strategies to capitalize available opportunities. Financial conditions had improved sharply across the world and risk perceptions had turned more favorable. The company is consolidating its resources, which would be used for committing capital for future business activities. The company will keep examining and pursuing these new opportunities for growth.

The company regularly monitors liquidity and interest risk. Inflation has remained a major source of concern in the economy for more than a year. The overall inflation rate has remained at double digit levels for the past five months. The behaviour of inflation will also be a major concern for monetary authorities. The company's risk management process ensures that the management controls risks through means of properly defined framework. It is therefore necessary to tackle the problems with determination and develop a timeline to realise our objectives.

Segment wise Performance

Investment and loans is the main business activity of your Company. Segment reporting as required under Accounting Standards-17 is not applicable as all the revenue income comes from a single segment.



Outlook

The economic and financial situation is recovering slowly. The strengthening of the economic and financial recovery will help to sustain the higher growth rate. Focus on investment in the next fiscal year is likely to render India an attractive market that is well positioned to take advantage of both structural and cyclical gains while its strong domestic base is likely to limit the impact of external stress on growth dynamics and returns. Since the capital flows are expected to be moderate, they should not pose any problem to the management. The economic and financial scenario offers immense opportunities for it to grow in scale and reach coupled with value creation.

Internal Control

The company has in place adequate internal control systems commensurate with the size and nature of its business. These ensure that all corporate policies are strictly adhered to an absolute transparency is followed in accounting and all its business dealings.

The internal control is designed to ensure that financial and other records are designed to ensure that financial and other records are reliable for preparing financial information and other reports, and for maintaining regular accountability of the Company's assets. The Company maintains a system of internal control, including suitable monitoring procedures and the adequacy of the same has been reported by its auditors in their report as required under the Companies (Auditor's Report) Order, 2003.

The company ensures adherence to all internal control policies and procedures. A qualified and independent audit committee of the Board, comprising the independent directors reviews the adequacy of internal control.

Human Resources/ Industrial Relations Front

The Company fully values the Human Capital and continued to have the cordial and harmonious relations with its employees and there has been no material development on the Human resource / Industrial Relations front during the year. It has been the consistent endeavour of the Company to create a congenial and challenging working atmosphere wherein every employee can develop its strength and deliver to his full potential. The Company considers the contribution of all employees towards the growth of the company without which the achievements made would not have been possible. The Company also considers the quality of its human resources to be most important asset and constantly endeavors to attract and recruit best possible talent.

Cautionary Statement

Statements in the Management Discussion Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions & contains forward looking statement within the meaning of applicable rules and regulations. It contains forward looking statements which are made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those either expressed or implied in the statement depending on circumstances.



CORPORATE GOVERNANCE REPORT

For the Year 2010-2011

1. Company's philosophy on Code of Governance

Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all its stakeholders. The ultimate objective of the Corporate Governance at Amit Securities Limited is to enhance Shareholders' value in the long term. A good governance process aims to achieve this by providing long-term visibility of its businesses, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of the corporate evolution process.

Board Composition and particulars of Directors

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non- Executive Directors. The Board consists of 4 Directors, out of which three are independent Directors. The Board believes that its current composition is appropriate. Composition of the Board and category of Directors are as follows:

Name of Director	Category	No. Of Directorships held in other public companies	No. of memberships of Board Committees held in other Public Companies	No. of other Board Committees of which Director is a Chairperson
Shri Arun Kumar Jain	Managing Director	—	—	—
Shri Vishnu Gupta	Independent non-executive Director	—	—	4
Shri Vineet Gupta	Independent non- executive Director	—	—	—
Shri Shirish Agrawal	Independent non executive Director	—	—	—

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Shri Vishnu Kumar Gupta liable to retire by rotation and being eligible offer himself for reappointment. He is a bachelor of Commerce having varied experience of over 23 years in the field of finance, taxation and marketing and he has significantly contributed towards the development and progress of the Company.

2. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING:

During the year 2010-2011, 5 (Five) Board Meetings were held on 30th April, 2010, 31st July 2010, 31st August, 2010, 30th October, 2010 and 31st January, 2011.

Name of Director	No. of Board Meeting held.	No. Of Board Meeting attended	Attendance at last Annual General Meeting
Shri Arun Kumar Jain	5	5	Present
Shri Vishnu Gupta	5	4	Present
Shri Vineet Agrawal	5	3	Present
Shri Shirish Agrawal	5	4	Present



CODE OF CONDUCT

The company has laid down the Code of Conduct for Directors and senior personnel, annual affirmation from each of the Directors with regard to the adherence to the said Code of Conduct drawn are being received on a yearly basis and placed before the Board.

3. AUDIT COMMITTEE

The Audit Committee consists of three independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under:

- A) Mr. Vishnu Kumar Gupta -Chairman
- B) Mr. Vineet Gupta -Member
- C) Mr. Shirish Agrawal -Member

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2010-2011, 6 (Six), Audit Committee Meetings were held on 30th April, 2010, 31st July, 2010, 30 October, 2010, 31th December 2010, 31st January, 2011 and 31st March, 2011.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Vishnu Gupta	6	6
Shri Vineet Gupta	6	5
Shri Shirish Agrawal	6	5

4. REMUNERATION COMMITTEE

The Remuneration Committee consist of three independent, Non-executive Directors viz Mr. Vishnu Gupta (Chairman), Mr. Vineet Gupta and Mr. Shirish Agrawal.

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing/ whole time Directors, based on performance and defined criteria.

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

During the year on 30th March, 2011 meeting of the remuneration committee was held, which is attended by all the member of the committee. There is no remuneration and setting fee paid to any Directors of the Company during the year ended March 31st, 2011.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Shirish Agrawal	1	1
Shri Vineet Gupta	1	1
Shri Vishnu Gupta	1	1

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Committee consists of three independent, Non-executive Directors, Viz. Mr. Vishnu Gupta (Chairman and Non-executive Independent Director), Mr. Shirish Agrawal and Mr. Vineet Gupta.

The Company has acted upon all valid share transfers received during the year 2010-2011. The Company has not received any complaints during the year.



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During the financial year 2010-2011, 4 (Four) Investors' Grievance Committee Meetings were held on 20th April, 2010, 17th August, 2010, 25th October, 2010 and 25th January, 2011

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Vishnu Gupta	4	4
Shri Shirish Agrawal	4	3
Shri Vineet Gupta	4	3

6. GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Location of the Meeting	Time
2009-2010	30.09.2010	1st Floor Swadeshi Market, 316, Kalbadevi Road Mumbai (MH), 400002	3.00 P.M.
2008-2009	30.09.2009	Flat No. 304, 3 rd Floor, Noble Tower, Veer Santaji Marg, Fergusson Road, Lower Parel (W) Mumbai 400013	3.00 P.M.
2007-2008	30.09.2008	Flat No. 304, 3 rd Floor, Noble Tower, Veer Santaji Marg, Fergusson Road, Lower Parel (W) Mumbai 400013	3.00 P.M.

7. DISCLOSURES

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

8. MEANS OF COMMUNICATION

The quarterly, half yearly and full year results are published in Nav Shakti (Marathi) and Free Press (English). These are not sent individually to the shareholders. There were no presentations made to the institutional investors or analysts.

The Management Discussion and Analysis Report forms part of the Directors Report.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

DATE: 30th September 2011.

TIME: 3.00 P.M.

VENUE: At the registered office of the company 1st Floor, Swadeshi Market, 316, Kalbadevi Road, Mumbai, Maharashtra- 400002.

Financial Calendar

The Company follows April-March as its financial year. The result for every quarter beginning from April is declared in the month following the quarter.

