



**AMIT SECURITIES LIMITED**

**20<sup>th</sup> ANNUAL REPORT  
2011-2012**



## **AMIT SECURITIES LIMITED**

### **TWENTIETH ANNUAL REPORT**

**2011-2012**

#### **BOARD OF DIRECTORS**

Shri Arun Jain	Managing Director
Shri Vishnu Kumar Gupta	Director
Shri Vineet Gupta	Director
Shri Shirish Agrawal	Director

#### **AUDIT COMMITTEE**

Shri Vishnu Kumar Gupta	Chairman
Shri Shirish Agrawal	Member
Shri Vineet Gupta	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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## *Amit Securities Limited*

**NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the members of the Company Amit Securities Limited will be held at 1<sup>st</sup> Floor, Swadeshi Market, 316, Kalbadevi Road, Mumbai on Thursday, the 30th day of August, 2012 at 3.00 P.M. to transact the following business :**

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012 and the Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Shirish Agrawal 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: - May, 30, 2012

**Regd. Office: -**  
1<sup>st</sup> 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 ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER. OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY COMPLETED, TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The Register of Members and Share Transfer Book of the Company will remain closed from Saturday, 25<sup>th</sup> August, 2012 to Thursday, 30<sup>th</sup> August, 2012 (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. Mr. Shirish Agrawal is a Master of Commerce and engaged in the business of trading in automobile field and having rich experience in marketing field of running and managing automobile business.

By Order of the Board of Directors  
for Amit Securities Limited

Arun Kumar Jain  
(Chairman)

Place: - Indore

Dated: - May 30, 2012

**Regd. Office: -**

1<sup>st</sup> Floor, Swadeshi Market,

316, Kalbadevi Road,

Mumbai, Maharashtra- 400002



## DIRECTORS REPORT

To,  
The Members,  
Amit Securities Limited

Your Directors have pleasure in presenting herewith the Twentieth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

### 1. FINANCIAL RESULTS:

Particulars	Figures in Rs.	
	Current Year (2011-12)	Previous Year (2010-11)
REVENUE FROM OPERATIONS	1,43,76,648	1,68,37,509
EARNING BEFORE DEPRECIATION AND AMORTIZATION	3,00,631	6,07,182
DEPRECIATION AND AMORTIZATION	14,488	11,418
PROVISIONS FOR TAXATION	2,25,624	2,87,883
NET PROFIT AFTER TAXATION	60,519	3,07,881

### 2. DIVIDEND:

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

### 3. DIRECTORS:

To appoint Director in place of Mr. Shirish Agrawal 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 31<sup>st</sup> March, 2012 and of profit and loss account of the profit for the year ended 31<sup>st</sup> March, 2012.
- 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 : 30/05/2012

Regd. Office:

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overall review of the Economy

As developed economies report a moderate expansion in output, emerging economies have witnessed marked growth in economic output. The growth of Indian economy is decline in financial year 2011-12 as compared to financial year 2010-11. It is mainly due to slowdown in manufacturing orders, falling housing prices and sales, a drop-off in business investment and hike in prices of commodities. The result of this slowdown is falling employment, and rising unemployment, which causes a slowdown in retail sales. A stock market decline, known as a bear market, can either be a result of a recession but is often a cause itself.

No improvement has been perceived in the the global economic and financial situation, in the light of worsening fiscal conditions, steep rise in commodity prices in the currency and equity markets. The domestic fixed capital formation has weakened significantly due to high rates of domestic inflation, excessive government debt and the global situation. But despite the low growth rate, India remains one of the fastest growing economies of the world as all major countries including the fast growing emerging economies are seeing a significant slowdown.

### 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. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both Management (Board) Committee and Audit Committee.

### 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 and 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. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

## **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. The Company's Human Resource agenda focuses on building a robust talent pipeline, enhancing individual and organizational capabilities for future-readiness, driving greater employee engagement and strengthening employee relation. Human Resource agenda not only looks at the current needs of the business, but also enhances the Company's preparedness for the future. The organization believes that great people deliver great results and lays emphasis on hiring right and retaining key talent. The company maintains a strong business linkage to all human resource and initiatives.

## **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 2011-2012

### 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

Mr. Shirish Agrawal liable to retire by rotation and being eligible offer himself for reappointment. He is a Master of Commerce and engaged in the business of trading in automobile field and having rich experience in marketing field of running and managing automobile business.

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

During the year 2011-2012, 5 (Five) Board Meetings were held on 30<sup>th</sup> April, 2011, 30<sup>st</sup> July 2011, 31<sup>st</sup> August, 2011, 31<sup>th</sup> October, 2011 and 31<sup>st</sup> January, 2012.

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	2	Present
Shri Vineet Agrawal	5	4	Present
Shri Shirish Agrawal	5	5	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 2011-2012, 4 (Four), Audit Committee Meetings were held on 28<sup>th</sup> April, 2011, 29<sup>th</sup> July, 2011, 29<sup>th</sup> October, 2011 and 28<sup>th</sup> January 2012.

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

## 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 30<sup>th</sup> March, 2012 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 31<sup>st</sup>, 2012.

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 Kumar 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 2011-2012. The Company has not received any complaints during the year.

