

ALACRITY

SECURITIES LIMITED

ANNUAL REPORT

2012-13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hiten Mehta
Mr. Jai Prakash Jindal
Mr. Kishore Shah
Ms .Pooja Mehta
Mr. Ramanand Gupta

Company Secretary & Compliance Officer

Ms. Nimita Jain

REGISTERED OFFICE

101, B Wing -Haridarshan Building,
Bhogilal Phadia Road, Near S V P Primary School,
Kandivali (West), Mumbai – 400067
Tel : 022-2807 3882
Fax :022-2807 3967
Email :info@alacritysec.com

AUDITORS

M/s. Lalit Kumar Dangi & Co.

Chartered Accountants
77,Mulji Jetha Bldg,3rd Floor,
185/187,Princess Street,
Marine Lines, Mumbai – 400002
Tel : 022-22066860
Fax : 022-22052224
Email : lkdangi_ca@mtnl.net.in

BANKERS

CANARA BANK
AXIS BANK
HDFC BANK

REGISTRAR & TRANSFER AGENT

Big Share Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai 400 072.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 19th Annual General Meeting of the members of **M/s. ALACRITY SECURITIES LTD**, will be held at 10.00 a.m. on Tuesday 30th September, 2013 at its Registered Office at 101-B, Hari Darshan, Bhogilal Fadia Road, Kandivali (W), Mumbai – 400067 to transact the following business:-

ORDINARY BUSINESS :-

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March 2013 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors.
2. To appoint Auditor and fix their remuneration

By Order of the Board

**Sd/-
DIRECTOR**

Place: MUMBAI

Date: 4th Sep. 2013

NOTE :

A member, entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

DIRECTOR'S REPORT

To
The Members,

The Directors of your Company have pleasure in presenting their 19th Annual Report together with the audited annual accounts for the financial year ended 31st March 2013.

FINANCIAL RESULTS	2012-13	2011-12
Gross Income	262465814.00	118389961.00
Profit/(Loss) Before Depreciation	(7247575.00)	4106024.00
Less: Depreciation	1748569.00	2036410.00
Profit/(Loss) Before Tax	(8996144.00)	2069614.00
Less: - Provision for tax	-	700000.00
Deferred Tax	(597872.00)	2189.00
Prior Period Tax	(1615.00)	-
MAT Credit Entitlement	-	329101.00
Profit/(Loss) After Tax	(8396657.00)	1038324.00
Profit Brought Forward from Last Year	99243027.00	99948041.00
Amount Available for Appropriation	90846370.00	100986365.00
Less: Appropriations		
Transfer to General Reserve	-	-
Capitalization during the year (Issue of Bonus Shares)	60000000.00	-
Proposed Dividend	-	1500000.00
Dividend tax thereon	-	243338.00
Surplus carried to Balance Sheet	30846370.00	99243027.00

OPERATION :

During the year the company has gross receipt of Rs. 2624.65 Lacs as against 1183.89 Lacs in previous year.

The Company has Net Loss of Rs. 89.96 Lacs after tax as against profit of Rs. 20.69 Lacs in previous year The Company hopes to do better in current year.

DIVIDEND :

Due to Loss in the current year the Board of Directors of the Company have not recommended dividend for equity share.

SUB DIVISION OF EQUITY SHARES

Your Company has already intimated you regarding the Sub division of Shares of the Company from Rs. 100 to Rs.10 each equity share and accordingly your approval has also taken in the general meeting held on 29th January, 2013 by passing the special resolution.

ISSUE OF BONUS SHARES

The Directors have, subject to the approval of the shareholders, declared a bonus issue of equity shares in the ratio of two equity share of the company of Rs. 10/- each fully paid up for every one equity shares held by the shareholder of the Company as on the Record Date as determined by the Board of Directors. Necessary resolution for obtaining the approval of shareholders has been incorporated in the Notice for the forthcoming Annual General Meeting of the Company.

FURTHER ALLOTMENT OF SHARES

Your Company has issued the 60,00,000 warrants under preferential allotment which were converted into equity and your company's paid up equity capital has increased to 15,00,00,000 Crore Equity shares of Rs. 10/- each

INCREASE IN AUTHORISED SHARE CAPITAL

During the year under review, the authorized share capital of the company was increased from Rs. 20 crores divided into 200 Lakhs equity shares of Rs. 10/- each to Rs. 22 Crore divided into 220 Lakhs equity shares of Rs. 10/- each.

INITIAL PUBLIC OFFERING (IPO) AND LISTING OF SHARES

The company came out with an Initial Public Offering of 6080000 Equity Shares of the face value of Rs. 10 each for cash at a price of Rs. 15 per Equity Share (including a share premium of Rs. 5 per Equity Share. The public issue opened for subscription on 29th July, 2013 and closed on 1st August, 2013. The Basis of Allotment was finalized in consultation with the Designated Stock Exchange - Bombay Stock Exchange LTD. and while finalising the basis of allotment 80,000 additional Equity Shares were issued due to rounding off along with the shares issued through the IPO. The allotment of, 6080,000 Equity Shares was made on August 09, 2013.

The Company's shares got listed on the SME segment of Bombay Stock Exchange LTD. on 14th August, 2013.

The Company has paid Listing fees to the Bombay Stock Exchange for the year 2013-2014.

INCREASE IN BORROWING LIMIT

The Company has increased its borrowing limit from the existing subject to shall not exceeding the aggregate of the paid up Capital and free reserve of the Company by more than the sum of Rs. 50,00,00,000 at any one time.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

None of the Employees fall within the preview of the above Section and the Rules Framed there under, hence particulars are nil.

FIXED DEPOSIT

The Company has not accepted / renewed any Fixed Deposits from Shareholders, Directors and public during the year under review.

PERFORMANCE REVIEW & FUTURE PROSPECTS

Capital Markets & Asset Management is the business of Alacrity Securities Limited and our successes in this business have helped us diversify into adjacent spaces .Presently we are in the businesses Retail, Broking, .Due to the tough macro-economic situation and subdued primary and secondary market activity, FY13 was a tough year for the Capital Market & Asset Management business group. Despite this there were several positives during the year.

The Company is taking number of initiatives to consolidate and improve margins and return on capital which will in turn enhance the shareholders value. The current year was a better year for the Company. Due to uncertain finance market, the Company is taking a cautious view and will adopt its investment policies accordingly.

CONSERVATION OF ENERGY/TECHNOLOGY ABSORTION /FOREIGN EXCHANGE EARNINGS /OUTGO

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of Companies Act, 1956, you're Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standard has been followed and that no material departures have been made from the same;
2. They 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 at the end of the financial year and of the Profit of the company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis;

AUDITORS

M/s. LALIT KUMAR DANGI & CO., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as Auditors of the Company. The Company has received declaration under 224(1B) of the Companies Act, 1956 from the Auditors of the Company.

COMMENTS ON AUDITOR'S REPORT :

As regards of the annexure to the Auditors Report, the directors are looking after the day to day business of the Company and expenditure on formal internal audit system is not warranted. However the company is in process of appointing a firm of chartered accountant as an internal auditor.

ACKNOWLEDGMENT

The Board of Directors expressed deep gratitude for the assistance, co-operation and support extended to your company by the bankers of the company, customers as well as the investing community and look forward to their continued support.

By Order of the Board

For Alacrity Securities Limited

Sd/-

Hiten R Mehta

Director

Date: 04/09/2013

Place: Mumbai

Sd-

Kishore Shah

Director

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

Your Company has implemented the Guidelines of Corporate Governance in terms of Clause 49 of the listing Agreement executed with the Bombay Stock Exchange. The Company's philosophy on good Corporate Governance is maintained by being transparent, accounting implementing policies, setting and adhering to appropriate disclosure norms, learning and implementing best-in-class Board practices and displaying consistently high standards of corporate conduct towards its stakeholders.

I. Board of Directors:

a) Composition of the Board:

As on 31 March 2013, Alacrity's, Board comprised of **Six** Directors. The Board functions either as a full Board or through committee. Policy formulation, setting up of goals and evaluation of performance and control functions vests with the Board while the Committees look after operational issues.

Mr. Kishore Shah	-	Whole Time Director
Mr. Jai Prakash Jindal	-	Non Executive & Independent
Mr. Hiten Mehta	-	Whole Time Director
Ms. Pooja Mehta	-	Non Executive & Non Independent Director
Mr. Ramanand Gupta	-	Non Executive & Independent Director
Mrs. Bina Mehta	-	Whole Time Director

b) Number of Board Meetings:

In 2012-13, the Board of the Company met Nine times on 2nd April 2012, 5th June 2012, 06th August 2012, 04th September 2012, 16th October 2012, 22nd November 2012, 15th December 2012, 4th January 2013 and 15th January, 2013.

c) Directors' Attendance Record and Directorships:

The attendance record of each director at the Board of Directors Meeting and at previous Annual General Meeting along with details of membership and/or chairmanship in Boards/or Committees is given below:

Composition of the Board / No. of Board Meetings/ Attendance record & Directorship etc:

Name of the Directors	Category of Directorship	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Hiten R. Mehta	Whole Time Director	9	9	Yes	5	---	---
Mr. Kishore Shah	Whole Time Director	9	9	Yes	---		
Mr. Ramanand Gupta	Non-Executive Independent	3	3	No	---	---	---
Mrs. Bina* Mehta	Whole time Director	9	9	Yes	1	---	---
Mr. Jai Prakash Jindal	Non-Executive Independent	9	9	Yes	--	---	---
Ms. Pooja Mehta	Non-Executive Non Independent	9	9	Yes	2	---	---
<p>*Mrs. Bina H Mehta has resigned from the post of directorship with effect from dated 22nd July ,2013.</p> <p><u>Directors' Remuneration:</u></p> <p>None of the Non Executive Directors have any material pecuniary relationship or transaction with the Company.</p> <p>The Company also reimburses out- of –pocket expenses incurred by the Directors for attending Meetings and for the business of the Company.</p> <p>The remuneration paid to Mr. Kishore Shah , whole time Director is Rs 4,38,000,.00 Mr. Hiten Mehta Rs.3,30,000/- and Mrs Bina H. Mehta Rs. 9,00,000 for the Financial year 2012-2013.</p>							