



AMIT SECURITIES LIMITED

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***12th ANNUAL REPORT
2003-2004***


Amit Securities Limited

TEWLETH ANNUAL REPORT
AMIT SECURITIES LIMITED
2003-2004

BOARD OF DIRECTORS

Shri Alok Gupta
 Shri Vishnu Kumar Gupta
 Shri Vineet Gupta
 Shri Shirish Agrawal

Managing Director
 Director
 Director
 Director

AUDIT COMMITTEE

Shri Shirish Agrawal
 Shri Vishnu Kumar Gupta
 Shri Vineet Gupta

Chairman
 Member
 Member

BANKERS

Bank of India
 Canara Bank

AUDITORS

M/s M.METHA & CO.
 Chartered Accountants
 11/5, South Tukoganj,
 INDORE - 452 001

REGISTRAR & SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd
 2nd Floor, Alankar Point,
 4, Rajgarh Kothi,
 A.B. Road,
 INDORE - 452 001

REGISTERED OFFICE

402, Meridian Apartments,
 3rd Wing, Veera Desai Road,
 Andheri (W),
 MUMBAI - 400 058

CONTENTS

Notice
 Director's Report
 Auditor's Report
 Balance Sheet
 Profit and Loss Account
 Schedules
 Cash Flow Statement



Amit Securities Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 30TH SEPTEMBER, 2004 AT 4.00 P.M. AT REGISTERED OFFICE OF THE COMPANY AT 402, MERIDIAN APARTMENTS, 3RD WING, VEERA DESAI ROAD, ANDHERI (WEST), MUMBAI - 400 058, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and Profit and Loss Account for the year 31st March 2004 and the Reports of the Board of Director's and Auditor's thereon.
2. To appoint Director in place of Shri Vineet Gupta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

ITEM NO. 4

To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution as a Ordinary Resolution:

"RESOLVED THAT subject to the approval of the members in Annual General Meeting and pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provision, if any of the Companies Act, 1956 (including any statutory modification of re-enactment thereof, for the time being in force) the consent of the Shareholders be and is hereby accorded to the reappointment of Shri Alok Gupta as Managing Director of the Company for a period of five years with effect from 12th October, 2003 on nil remuneration."

By Order of the Board of Directors

Alok Gupta
(Chairman)

Place: - Indore

Dated: - 03rd September 2004

Regd. Office: -

402, Meridian Apartments,
3rd Wing, Veera Desai Road,
Andheri (West) Mumbai-400 058



Amit Securities Limited

NOTE:

1. A member entitled to attend 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 Explanatory Statement setting out the material facts in respect of the business under Item No. 4 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September 2004 to 30th September 2004 (both days inclusive).
4. The shares of the Company are listed at the stock exchanges at Mumbai and Indore.
5. The Shares of the Company have been delisted from The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The Bangalore Stock Exchange.
6. 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.
7. Members are requested to notify to the Company immediately any change in their address.
8. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

FOR ITEM NO. 4

The term of Appointment of Shri Alok Gupta has expired on 11th October, 2003 the Board of Directors reappointed him, on the recommendation of remuneration committee, on nil remuneration for further period of five years in its meeting held on 10th October, 2003 as Managing Director of the Company subject to approval of Shareholders in ensuing General meeting. Shri Alok Gupta has a rich experience in the field of marketing, finance and working of the Company and he has significantly contributed towards the development and progress of the Company. In the changed economic scenario and in the wake of globalisation the vast experience of Shri Alok Gupta would help the company to face the domestic and international challenges.

The Directors recommend the resolution for approval of the shareholders.

None of the Directors, except Shri Alok Gupta, is interested in the said resolution.

This Explanatory Statement is and should be treated as an abstract under section 302 of the Companies Act, 1956.

By Order of the Board of Directors

Alok Gupta
(Chairman)

Place: - Indore

Dated: - 03rd September 2004

Regd. Office: -

402, Meridian Apartment,

3rd Wing, Veera Desai Road,

Andheri (West) Mumbai - 400 058


Amit Securities Limited

DIRECTORS REPORT

To,
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Twelfth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2004.

1. FINANCIAL RESULTS:

| Particulars | Current Year | Previous Year |
|----------------------------------|--------------|---------------|
| GROSS INCOME | 5,77,52,270 | 6,85,70,583 |
| PROFIT BEFORE DEPRECIATION | 19,02,605 | 15,23,825 |
| DEPRECIATION | 1,95,530 | 57,932 |
| PROVISIONS FOR TAXATION | 4,77,196 | 7,48,618 |
| NET PROFIT AFTER TAXATION | 12,29,879 | 7,17,274 |
| ADD PROFIT/LOSS BROUGHT FORWARD | 64,65,748 | 57,48,474 |
| SURPLUS CARRIED TO BALANCE SHEET | 76,95,627 | 64,65,748 |

2. DIVIDEND:

In the Absence of sufficient profits, your Directors regret their inability to propose any Dividend.

3. DIRECTORS:

Shri Vineet Gupta retire by rotation at the ensuing Annual General Meeting, being eligible offers himself for re-appointment.

Term of Appointment of Shri Alok Gupta was expired on 11th October 2003. The Board of Directors reappointed him for further period of five years as Managing Director of the Company subject to approval of Shareholders in the Annual General Meeting.

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.



Amit Securities Limited

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 judgements 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, 2004 and of profit and loss account of the profit for the year ended 31st March, 2004.
- 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. DELISTING OF SHARES FROM STOCK EXCHANGES:

The Shares of the company are delisted from stock exchanges at Bangalore, Delhi and Ahmedabad in March & April, 2004 as per the provisions of SEBI Guidelines.

11. 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

Alok Gupta

Chairman

Place: Indore

Date: 03/09/2004

Regd. Office:

402, Meridian Apartments,
3rd Wing, Veera Desai Road,
Andheri (West), Mumbai 400058.


Amit Securities Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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. During the year, there was a continuation of the downtrend in interest rates with the policy preference of RBI being for a softer interest rate environment. However, inflation was relatively higher compared to the previous year though it remained manageable. The outlook for 2004-05 is also quite positive.

The discussion on the financial performance of the Company is covered in the Director's report. During the year profit of the company is increased.

Opportunities and Threats

The company is endeavored for making investments, which maximizes returns and ensures safety of fund. 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 is aimed at improving the asset resolution and increasing operational efficiency. However, the successful conversion of this opportunity depends to a large extent on its ability of your company to improve capital adequacy and debt-equity ratios and raise new financial resources at a competitive cost in the future.

The company, with its integrations of operations is ideally positioned to benefit from the growing capital market.

Cash generations from operations continued to be favorable during the year, driven by the strong business performance. Cash surpluses were invested in safe instruments.

Risk is an integral part of the financing business and your company aims at the delivery of superior trade-off between risk and returns.

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.

Internal Control

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 Internal Audit Department regularly conducts a review to assess the financial and operating controls of the Company. Any significant issue is required to be brought to the attention of the audit Committee of the board. The statutory Auditors and the Head of Internal Audit are invited to attend the Audit Committee meetings.

Human Resources/ Industrial Relations Front

The Company 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 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 and predictions may be forward looking within the meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.


Amit Securities Limited

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency and accountability leading to management reliability are the touchstone of the Corporate Governance at Amit Securities Limited. 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's evolution process.

| 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 Alok Gupta | Managing Director | — | — | — |
| Shri Vishnu Gupta | Independent non-executive Director | — | — | — |
| Shri Vineet Gupta | Independent non- executive Director | — | — | — |
| Shri Shirish Agrawal | Independent non executive Director | — | — | — |

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Shri Vineet Gupta is liable to retire by rotation and being eligible offer himself for reappointment. Shri Vineet Gupta is Bachelor of Commerce having varied experience of over 5 years in running and managing textile business.

Term of Appointment of Shri Alok Gupta was expired on 11th October, 2003 the Board of Directors reappointed him for further period of five years as Managing Director of the Company. Shri Alok Gupta is a B.A.M.S. and having a rich experience of over 30 years in the field of manufacturing, trading of engineering goods, commodities and investment/ finance functions and working of the Company 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 2003-2004, six Board Meetings were held on 30th April, 2003, 31st July, 2003, 25th August, 2003, 10th October, 2003, 31st October, 2003, 31st January, 2004.

| Name of Director | No. Of Board Meeting attended | Attendance at last Annual General Meeting |
|----------------------|-------------------------------|---|
| Shri Alok Gupta | 6 | Yes |
| Shri Vishnu Gupta | 6 | Yes |
| Shri Vineet Gupta | 5 | Yes |
| Shri Shirish Agrawal | 3 | Yes |