



# ***AMIT SECURITIES LIMITED***



***13th ANNUAL REPORT  
2004-2005***



*Amit Securities Limited*

**THIRTEENTH ANNUAL REPORT**  
**AMIT SECURITIES LIMITED**

**2004-2005**

**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 THIRTEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 30<sup>TH</sup> SEPTEMBER, 2005 AT 4.00 P.M. AT REGISTERED OFFICE OF THE COMPANY AT 402, MERIDIAN APARTMENTS, 3<sup>RD</sup> 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 2005 and Profit and Loss Account for the year 31st March 2005 and the Reports of the Board of Director's and Auditor's thereon.
2. To appoint Director in place of Alok 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.

By Order of the Board of Directors

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Alok Gupta  
(Chairman)

Place: - Indore

Dated: - 03<sup>rd</sup> September 2005

**Regd. Office: -**

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

### 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 Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September 2005 to 30<sup>th</sup> September 2005 (both days inclusive).
3. The shares of the Company are listed at the stock exchanges at Mumbai and Indore.
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.



## DIRECTORS REPORT

TO,  
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Thirteenth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2005.

### 1. FINANCIAL RESULTS:

Particulars	Year	Year
	2004-05	2003-04
GROSS INCOME	58,96,464	5,77,52,270
PROFIT BEFORE DEPRECIATION	16,42,334	19,02,605
DEPRECIATION	1,95,530	1,95,530
PROVISIONS FOR TAXATION	3,94,018	4,77,196
<b>NET PROFIT AFTER TAXATION</b>	<b>10,52,786</b>	<b>12,29,879</b>
ADD PROFIT/LOSS BROUGHT FORWARD	76,95,627	64,65,748
SURPLUS CARRIED TO BALANCE SHEET	87,48,413	76,95,627

### 2. DIVIDEND:

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

### 3. DIRECTORS:

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

### 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, 2005 and of profit and loss account of the profit for the year ended 31<sup>st</sup> March, 2005.
- 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.

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By Order of the Board

Alok Gupta  
Chairman

Place: Indore  
Date: 03/09/2005

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overall Review of the Economy

The Indian economy is estimated to have growth by 6.9% in 2004-05 compared with 8.05% in the previous year. Business confidence had been restored and investments in 2004-05 had been buoyant. The capital market emerged as a major vehicle for converting savings into investment. It was also the preferred investment destination of foreign savings. Exports remained buoyant and forex reserves rose to new high during the year. Inflation was also relatively soft as measured by the Consumer Price Index.

### 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. The outlook for 2005-06 is remains 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 main business of the company is investment and the Capital Market is providing promising return. 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.



## 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 Alok Gupta is liable to retire by rotation and being eligible offer himself for reappointment. 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 2004-2005 seven Board Meetings were held on 30<sup>th</sup> April, 2004, 21<sup>st</sup> June, 2004, 31<sup>st</sup> July, 2004, 3<sup>rd</sup> September, 2004, 30<sup>th</sup> October, 2004, 3<sup>rd</sup> January, 2005 and 31<sup>st</sup> January, 2005.

Name of Director	No. Of Board Meeting attended	Attendance at last Annual General Meeting
Shri Alok Gupta	7	Yes
Shri Vishnu Gupta	2	Yes
Shri Vineet Gupta	2	Yes
Shri Shirish Agrawal	7	Yes





### 3. AUDIT COMMITTEE

The Audit Committee constituted in the meeting of Board of the Directors held on 31<sup>st</sup> January 2001 and reconstituted on 3<sup>rd</sup> October 2002 to comply with the provisions of Clause 49 of the listing agreement, 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 Gupta - Chairman
- B) Mr. Shirish Agrawal - Member
- C) Mr. Vineet Gupta - 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 2004-2005, three Audit Committee Meetings were held on 27<sup>th</sup> April 2004, 1<sup>st</sup> September 2004 and 27<sup>th</sup> October 2004.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Vishnu Gupta	3	3
Shri Vineet Gupta	3	3
Shri Shirish Agrawal	3	1

### 4. REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Remuneration Committee on 3<sup>rd</sup> October 2002, comprising of three independent, Non-executive Directors VIZ. Mr. Vishnu Gupta (Chairman), Mr. Shirish Agrawal and Mr. Vineet Gupta.

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 10<sup>th</sup> November, 2004 meeting of the remuneration committee was held, which is attended by Mr. Vishnu Gupta and Mr. Vineet Gupta. There is no remuneration and setting fee paid to any Directors of the Company during the year ended March 31, 2005

### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

The Company has acted upon all valid share transfers received during the year 2004-2005. The Company has not received any complaints during the year.