



AMIT SECURITIES LIMITED



***15th ANNUAL REPORT
2006-2007***


Amit Securities Limited

AMIT SECURITIES LIMITED

FIFTEENTH ANNUAL REPORT

2006-2007

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

Flat No. 304, 3rd Floor, Noble Tower

Veer Santaji Marg, Fergusson Road, Lower Parel (W)

Mumbai 400013.

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Amit Securities Limited

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 29TH SEPTEMBER, 2007 AT 3.00 P.M. AT REGISTERED OFFICE OF THE COMPANY AT FLAT NO. 304, 3RD FLOOR, NOBLE TOWER, VEER SANTAJI MARG, FERGUSSON ROAD, LOWER PAREL (W), MUMBAI 400013.

TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and Profit and Loss Account for the year 31st March 2007 and the Reports of the Board of Directors' and Auditors' 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:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:-**

"RESOLVED THAT subject to such consents, permissions or sanction as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI) and pursuant to all applicable provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Delisting Guidelines) 2003. The Board of Directors of the Company be and is hereby authorised to seek voluntary delisting of its equity shares listed at Madhya Pradesh Stock Exchange Ltd. and for that matter to approach the M. P. Stock Exchange and / or any other concerned authorities seeking its/their approval for voluntary delisting of equity shares from the said Stock Exchange.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit that being required to seek any further approval of the members or otherwise to the end and intent that the members share be deem to have given their approval expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Director be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its committee or any of its directors or any of the officers of the company to all such acts, deeds, or things to give effect to the above said resolution."

By Order of the Board of Directors

Alok Gupta
(Chairman)

Place: - Indore

Dated: - 30th August, 2007

Regd. Office: -

Flat No. 304, 3rd Floor, Noble Tower

Veer Santaji Marg, Fergusson Road, Lower Parel (W)

Mumbai 400013.



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 26th September 2007 to 29th September 2007 (both days inclusive).
4. The shares of the Company are listed at the stock exchanges at Mumbai and Indore.
5. 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)

Item No. 4

Equity Shares of your company are presently listed on Bombay Stock Exchanges Limited, Mumbai and Madhya Pradesh Stock Exchange Limited, Indore, stock exchanges. It has been observed that since last few years trading of shares of your company on M.P. Stock Exchange, Indore has been very rare/ nil trading. Your company has been spending considerable amount of money on listing fees, advertisements in the newspapers in respect of various provisions of the listing agreements e.g. board meetings, notices, AGM & EGM notices, Book Closure Notices, Quarterly results etc. and also on communications in the form of Fax intimations, registered letters etc. with these stock exchanges. Shareholders / Investors do not get any benefit despite company spending these amounts and therefore it has been considered that the listing on these stock exchanges be discontinued. Shareholders / Investors in these regions will not suffer due to delisting since with the introduction of screen based trading on The Bombay Stock Exchange, trading in shares can be easily done from all over the country.

Considering these facts, your Board of Directors has proposed delisting of Equity Shares of your company from M. P. Stock Exchange and has therefore put before you the Special resolution under Item No. 4 of the notice of the AGM for your approval.

None of the Directors has any personal interest / concern in the said resolution.

By Order of the Board of Directors

Alok Gupta
(Chairman)

Place: - Indore

Dated: - 30th August, 2007

Regd. Office: -

Flat No. 304, 3rd Floor, Noble Tower

Veer Santaji Marg, Fergusson Road, Lower Parel (W)

Mumbai 400013.



Amit Securities Limited

DIRECTORS REPORT

TO,
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Fourteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2007.

1. FINANCIAL RESULTS:

Particulars	Current Year	Previous Year
GROSS INCOME	36,74,859.00	34,68,994.11
PROFIT BEFORE DEPRECIATION	25,28,849.24	23,49,700.53
DEPRECIATION	1,99,859.85	199,604.03
PROVISIONS FOR TAXATION	3,63,509.00	570,446.84
NET PROFIT AFTER TAXATION	19,65,480.39	15,79,649.66
ADD PROFIT/LOSS BROUGHT FORWARD	103,28,063.34	87,48,413.68
SURPLUS CARRIED TO BALANCE SHEET	122,93,543.73	103,28,063.34

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.

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.



Amit Securities Limited

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, 2007 and of profit and loss account of the profit for the year ended 31st March, 2007.
- 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, and Share Holders and thank them for their continued support.

By Order of the Board

Alok Gupta
Chairman

Place: Indore
Date: 30/08/2007

Regd. Office:
Flat No. 304, 3rd Floor, Noble Tower
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Mumbai 400013.



Amit Securities Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall review of the economy

In 2006-07, the Indian economy is estimated to have grown by 9.2% compared to 9.0% in the previous year. These growth rates have placed India among the fastest growing economies of the world and reflect the growth potential of the economy. The Indian Economy is showing clear signs of stability and vibrancy marked by impressive growth. The company is also hopeful to prospective and significant growth.

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. After prolong downtrend in interest rates, there is small increase in the interest rate. However, inflation was relatively higher compared to the previous year though it remained manageable. The outlook for 2007-08 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 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.

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

For the Year 2006-2007

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 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 liable to retire by rotation and being eligible offer himself for reappointment. Shri Vineet is a Bachelor of Commerce having varied experience of over 7 years in running and managing textile business.

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

During the year 2006-2007, 9 Board Meetings were held on 19/04/2006, 29/04/2006, 25/06/2006, 30/06/2006, 28/07/2006, 30/08/2006, 31/10/2006, 30/11/2006, 31/01/2007.

Name of Director	No. of Board Meeting held.	No. Of Board Meeting attended	Attendance at last Annual General Meeting
Shri Alok Gupta	9	9	Yes
Shri Vishnu Gupta	9	6	Yes
Shri Vineet Gupta	9	6	Yes
Shri Shirish Agrawal	9	6	Yes



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 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 2006-2007, 5 Audit Committee Meetings were held on 12/04/2006, 24/07/2006, 26/08/2006, 27/10/2006, 25/01/2007.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Shirish Agrawal	5	5
Shri Vineet Gupta	5	5
Shri Shirish Gupta	5	2

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 16th November, 2006 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, 2007.

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 2006-2007. The Company has not received any complaints during the year.