

AMIT SECURITIES LIMITED

**Regd. Office: 1st Floor, Swadeshi Market, 316, Kalbadevi Road,
Mumbai, Maharashtra- 400002**

NOTICE

Notice is hereby given that The Eighteenth Annual General Meeting of the Company will be held on 30th September, 2010 at 3.00 P.M. at registered office of the Company at 1st Floor, Swadeshi Market, 316, Kalbadevi Road, Mumbai, Maharashtra- 400002 to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year 2009-10 and the Directors' Report and Auditors' Report 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.

By Order of the Board of Directors
for Amit Securities Limited

Sd/-
Arun Kumar Jain
(Chairman)

Place: - Indore
Dated: - September 3, 2010
Regd. Office: -
1st Floor, Swadeshi Market,
316, Kalbadevi Road,
Mumbai, Maharashtra- 400002

NOTE:

1. A MEMBER ENTITLED TO ATTAIN 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 Monday, 27th September, 2010 to Thursday, 30th September, 2010 (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.
7. Shri Vineet Gupta is a Bachelor of Commerce having varied experience of over 7 years in running and managing textile business and he has significantly contributed towards the development and progress of the Company.

By Order of the Board of Directors
for Amit Securities Limited

Sd/-
Arun Kumar Jain
(Chairman)

Place: - Indore
Dated: - September 3, 2010
Regd. Office: -
1st 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 Eighteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

| Particulars | Figures in Rs. | |
|----------------------------------|---------------------------|----------------------------|
| | Current Year (2009-10) | Previous Year (2008-09) |
| GROSS INCOME | 91,23,256 | 88,27,602 |
| PROFIT BEFORE DEPRECIATION | 17,40,705 | 15,37,707 |
| DEPRECIATION | 62,690 | 1,70,234 |
| PROVISIONS FOR TAXATION | 5,92,253 | 4,98,229 |
| NET PROFIT AFTER TAXATION | 9,95,316 | 8,69,224 |
| ADD PROFIT/LOSS BROUGHT FORWARD | 1,37,87,116 | 1,29,17,872 |
| SURPLUS CARRIED TO BALANCE SHEET | 1,47,82,432 | 1,37,87,116 |

2. DIVIDEND:

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

3. DIRECTORS:

To appoint Director in place of Shri Vineet Gupta 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 31st March, 2010 and of profit and loss account of the profit for the year ended 31st March, 2010.
- 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
for Amit Securities Limited


Arun Kumar Jain
(Managing Director)


Shirish Agrawal
(Director)

Place: Indore
Date: 31/08/2010

Regd. Office:
1st Floor, Swadeshi Market,
316, Kalbadevi Road,
Mumbai, Maharashtra- 400002

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall review of the economy

Economic growth in the five year period from 2004-05 to 2008-09, was at an average of 8.5 per cent despite witnessing a significant slowdown in the fiscal year ended March 31, 2009. The Indian economy bounced back impressively during the last financial year. This clearly represented acceleration in the pace of growth and marks a distinct break from previous five year period. Per capita GDP grew by an average of 6.9 per cent in these five years and by 7.8 per cent in the three years from 2005-06 to 2007-08. GDP growth rate is estimated to be around 7.2% for the fiscal year ended 2010 as against 6.7% for the year ended 31st March 2009. Overall Service sector growth was estimated at 8.5% in the last fiscal year. India ranked amongst the fastest growing economies in the world and benefited immensely during this phase.

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 Company seeks to match its interest rate positions of assets & liabilities to minimize interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position.

Even though the current account deficit increased, the total balance of payments position remained comfortably placed as capital flows were fairly strong as compared to those in the prior year. Strong portfolio inflows due to the improvements in global risk appetite were the major contributors to the strong balance of payments position.

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. To counter the economic slowdown, the Government announced monetary and fiscal measures. 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 in particular pose a risk to the revival in domestic consumption and with growth gathering momentum and the return of leverage in the economy, monetary policy responses are likely to play a far crucial role in shaping growth dynamics. The company's risk management process ensures that the management controls risks through means of properly defined framework.

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 Indian economy has registered a growth of 7.2% in 2009-10. Investment and capacity expansion will be a crucial link in driving the recovery forward. 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. The business environment continues to be challenging and we foresee a return to robust growth conditions after economic recovery takes root.

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. A qualified and independent audit committee of the Board, comprising the independent directors reviews the adequacy of internal control.

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

For the Year 2009-2010

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 |
|-------------------------|------------------------------------|--|--|---|
| Mr. Arun Kumar Jain | Managing Director | ----- | ---- | ---- |
| Mr. Vishnu Gupta | Independent non-executive Director | ----- | ---- | 4 |
| Mr. Vineet Gupta | Independent non-executive Director | ----- | ---- | ---- |
| Mr. Shirish Agrawal | Independent non executive Director | ----- | ---- | --- |

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Mr. Vineet Gupta liable to retire by rotation and being eligible offer himself for reappointment. He is a Bachelor of Commerce having varied experience of over 7 years in running and managing textile business 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 2009-10, 6 (Six) Board Meetings were held on 30th April, 2009, 21st July, 2009, 31st August, 2009, 30th October, 2009, 6th January, 2010 and 30th January, 2010.

| Name of Director | No. of Board Meeting held | No. of Board Meeting attended | Attendance at last Annual General Meeting |
|-------------------------|----------------------------------|--------------------------------------|--|
| Mr. Arun Kumar Jain | 6 | 6 | Present |
| Mr. Vishnu Gupta | 6 | 4 | Present |
| Mr. Vineet Gupta | 6 | 4 | Present |
| Mr. Shirish Agrawal | 6 | 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 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 2009-2010, 4 (Four) Audit Committee Meetings were held on 29th April, 2009, 21st July, 2009, 29th October, 2009 and 30th January, 2010.

| Name of Director | No. of committee Meetings held | No. of committee Meetings attended |
|-------------------------|---------------------------------------|---|
| Mr. Vishnu Gupta | 4 | 4 |
| Mr. Vineet Gupta | 4 | 3 |
| Mr. 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 26th March, 2010 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 31st, 2010.

| Name of Director | No. of committee Meetings held | No. of committee Meetings attended |
|-------------------------|---------------------------------------|---|
| Mr. Shirish Agrawal | 1 | 1 |
| Mr. Vineet Gupta | 1 | 1 |
| Mr. 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 2009-2010. The Company has not received any complaints during the year.

During the financial year 2009-2010, 4 Investors' Grievance Committee Meetings were held on 30th June, 2009, 17th July, 2009, 19th October, 2009 and 4th January, 2010.

| Name of Director | No. of committee Meetings held | No. of committee Meetings attended |
|-------------------------|---------------------------------------|---|
| Mr. Vishnu Gupta | 4 | 4 |
| Mr. Shirish Agrawal | 4 | 3 |
| Mr. Vineet Gupta | 4 | 3 |

6. GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held are given below:

| Financial Year | Date | Location of the Meeting | Time |
|-----------------------|-------------|--|-------------|
| 2006-2007 | 29.09.2007 | Flat No. 304, 3 rd Floor, Noble Tower, Veer Santaji Marg, Fergusson Road, Lower Parel (W) Mumbai 400013 | 3.00 P.M. |
| 2007-2008 | 30.09.2008 | Flat No. 304, 3 rd Floor, Noble Tower, Veer Santaji Marg, Fergusson Road, Lower Parel (W) Mumbai 400013 | 3.00 P.M. |
| 2008-2009 | 30.09.2009 | Flat No. 304, 3 rd Floor, Noble Tower, Veer Santaji Marg, Fergusson Road, Lower Parel (W) Mumbai 400013 | 3.00 P.M. |