

2013

20th Annual Report

Mehta Securities Ltd.
Ahmedabad

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Board of Directors

Bhavna D. Mehta
Chirag D. Mehta
Upen P. Parekh
Ramnik D. Sojitra

Auditors

Dinesh K. Shah & Co.
Chartered Accountants
Ahmedabad

Bankers

HDFC BANK

Registered Office

002, Law Garden Apartment,
Scheme-I, Opp. Law Garden,
Ellisbridge, Ahmedabad 380 006.
Phone no. : 079-26565567
E-mail : mehtasec@yahoo.co.in

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NOTICE

Notice is hereby given that **20th ANNUAL GENERAL MEETING** of the Members of **MEHTA SECURITIES LIMITED** will be held at 002, Law Garden Apartments, Scheme-1, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006 on Saturday, **28th JUNE, 2014** at **11.00 A.M.** to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance sheet of the Company for the year ended 31st DECEMBER 2013 and the Statement of Profit & loss as on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Upen Parekh who retires from office by rotation in terms of Article 127 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To consider the reappointment of M/s. Dinesh K. Shah & Co., Chartered Accountants (Membership no. F- 010477), as Auditors of the Company to hold the office until the conclusion of next Annual General Meeting and to fix their remuneration in addition to the reimbursement of out of pocket expenses.

REGISTERED OFFICE :-
002, LAW GARDEN APARTMENT,
SCHEME-I, OPP. LAW GARDEN,
ELLISBRIDGE,
AHMEDABAD-380 006.

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

DATE: 29/04/2014
PLACE : AHMEDABAD.

NOTES

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the company; proxies in order to be effective must be received at the registered office of the company not less than forty-eight hours before this Annual General Meeting.
2. The Register of Member and the Share Transfer Book of the Company will remain closed on 28/06/2014.
3. Member/Proxies should bring copies of Annual Report and attendance slip sent herewith, duly filed in for attending the meeting.
4. Members are requested to notify any change in their address immediately to the Company's Registrar Office **Purva Sharegistry India Pvt. Ltd.** Shiv Shakti Industrial Estate, Unit No: 9, Sitaram Mills Compound, J.R.Boricha Marg, Lower Parel, Mumbai-400011.

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FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

DATE: 29/04/2014
PLACE : AHMEDABAD.

Details of the Directors seeking Appointment / Reappointment in forthcoming Annual General Meeting
(As per Revised clause 49 of Listing Agreement)

Name of the Directors	: Upen Parekh
Date of Birth	: 15/08/1960
Date of Appointment	: 24/12/1997
Qualification	: B.Com
Expertise in Specific functional areas	: Finance, business
List of Public Limited Companies in which Directorships held:	Nil
Chairman / Member of the Committees of the Board of	: Audit Committee, shareholder/ investor grievances committee
Directors of the Company.	
Shareholding in the company (No. of shares)	: Nil

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DIRECTOR'S REPORT

To,
The Members,
MEHTA SECURITIES LIMITED,
Ahmedabad.

Your Directors have pleasure in presenting the 20th Annual Report of the Company on the business and operations of the company along with Audited Accounts for the year ended 31ST DECEMBER 2013.

1. FINANCIAL RESULTS :

The financial results of the Company for the year ended on 31ST DECEMBER 2013 as compared to the previous year are summarized below :-

	(Rs. In Lacs)	(Rs. In Lacs)
	31/12/2013	31/12/2012
Total Income	58884.42	49926.00
Total Expenditure	58890.50	49918.18
Profit/(Loss) before Taxation	(6.08)	7.82
Provision for Income Tax	Nil	Nil
Net Profit/Loss After Tax	(6.08)	7.82

2. PERFORMANCE DURING THE YEAR :

During the year under review, the Company has a gross loss of Rs. 6.08 lacs due to certain economical and out of control factors. company will make efforts to make good the loss within reasonable time.

3. FUTURE OUTLOOK :

The local and Global economic indicators are improving, which is led by positive prospects in advanced economies. Despite a strengthening external demand, uncertainty continues to loom large on the economic, fiscal and current account horizon of some emerging economies owing to domestic fragilities. the global economic climate continues to be volatile, uncertain and prone to geo-political risks.

4. DIVIDEND :

In order to conserve resources the Board of Directors do not recommend dividend .

5. DIRECTOR :

In accordance with the requirement of companies Act 1956, Mr. Upen Parekh, director of the company retire by rotation at ensuing Annual General Meeting, and being eligible offer himself for re-appointment.

6. PARTICULARS OF EMPLOYEES :

The Company has no employees of the category specified in Section 217 (2A) of The Companies Act, 1956.

7. PARTICULARS OF CONSERVATION OF ENERGY ETC :

Since the Company is not engaged in any manufacturing activity, the disclosures as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy, etc. is not applicable.

8. AUDITORS AND THEIR REPORT :

Auditors M/s. Dinesh K. Shah & Co., Chartered Accountants hold office till the conclusion of ensuing Annual General Meeting and having furnished the required certificate U/s. 224 (1-B) of The Companies Act, 1956 are eligible for reappointment. Board recommends the reappointment and requests the members to fix their remuneration.

9. PUBLIC DEPOSITS :

There was no deposit unclaimed or unpaid by the Company after the date on which it has become due for payment or renewal as on 31ST DECEMBER 2013.

10. DIRECTORS' RESPONSIBILITY STATEMENT :

Your Director Confirm:-

- (a) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation.

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- (b) That accounting policies have been applied by them consistently and made judgments and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for that period.
- (c) Proper and adequate care taken by the company as per the provision of the company's Act 1956 to safeguard the assets of the company and has prevented the company from financial irregularities.
- (d) That the Directors had prepared the Annual Accounts on an ongoing basis.

11. LISTING :

The equity shares of the Company are listed on The Bombay Stock Exchange Limited, Listing fees for the year 2013-14 have been duly paid.

12. CORPORATE GOVERNANCE:

The company has been observing the best corporate governance practices and benchmarking itself against each such practice on an ongoing basis. A separate section on corporate governance and a certificate from statutory auditors M/s. Dinesh K. Shah & Co., Chartered accountants(Membership no. F-010477) regarding compliance of the conditions of the Corporate Governance as stipulated under clause 49 of the listing agreements with the stock exchanges form part of this annual report.

13. ACKNOWLEDGMENT:

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, which have contributed to the successful management of the Company's affairs.

PLACE : AHMEDABAD.
DATE : 29/04/2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

DIRECTOR CERTIFICATION

Director of the Company certifies that :

- a) I have reviewed the financial statements and cash flow statement for the year ended December 31, 2013 and to the best of my knowledge and belief:
 - i) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statement together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- b) To the best of my knowledge and belief, no transaction entered into by the Company during the year ended December 31, 2013 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and steps have been taken to rectify these deficiencies.
- d) I have indicated to the Auditors and to the Audit Committee:
 - i) Significant changes in the internal control over financial reporting during the year.
 - ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There is no significant fraud is noticed during the year, however to safeguard the company from such instances, the role of management and employees to be followed has been described to them.

Date : 29/04/2014
Place : Ahmedabad

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

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MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Development :

The capital market intermediary industry is facing severe challenges from currency and from the economy, the business becoming capital intensive and low margins with low ROC and ROCE. The mechanised trading has reduced substantial revenue opportunities in the market and becoming more commoditized with no value addition.

b. Internal Audit:

Internal Audit (IA) is an independent unit that performs regular audits to evaluate the adequacy and effectiveness of internal controls and overall risk management. IA is staffed by professionals with varied skills and expertise. The audit committee of the board provides direction and monitors the effectiveness of the IA function.

c. Opportunities and Threats :

The company has bright future and growth prospects looking to the growth of the Indian economy and developing capital and debt markets and is poised to expand its operations and performance in accordance with its business strategy and capabilities

The Company is hopeful of the future, as India is an emerging and a promising economy for global investors. However, the international and local threat remains an issue of concern

d. Risk Management :

The company faces macro and micro risks as well as client specific and transactions specific risk. The company has internal systems to take care of the above.

e. Segment wise Performance :

The company's activities are divided into two parts i.e. Broking activities and Investments. The company is not carrying out any brokerage activity at present but is likely to be expanded on appropriate opportunities being available.

f. Whistle blower policy:

The company has in place a whistle blower policy enabling employees to report to the management about unethical behaviour, action or suspected trend or violation of company's code of conduct.

g. Investor helpdesk:

Share transfer and all other investor related activities are attended to and processed at the office of the company's registrar and transfer Agents namely, **Purva shareregistry india pvt. ltd.**

h. Risks and Concerns :

The company is not dealing in activities linked to forex and hence do not face the fluctuation in foreign exchange. However, the uncertain non-insurable risks remain there and international global slowdown remains a concern factor for the company.

i. Internal Control Systems and their Adequacy :

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

j. Financial Performance with respect to Operational Performance :

The financial performance of the Company for the year 2013 is described in the Directors' Report under the head "Financial Results".

k. Material Developments in Human Resources and Industrial Relations Front :

Certain Employees Development Initiatives implemented by the company have been undertaken which has positive impact on the morale and spirit of the employees. Special attention to human resources / industrial relations development is given by the company. Industrial relations remained cordial throughout the year.

l. Material development in human resource/ industrial relation front, including number of people employed.

There has been no material development on the human resource / industrial relation front during the year. Employee relations at all levels continue to remain cordial. The company had 6 (six) employees as on 31st December 2013.

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m. Cautionary Statement :

Statement in this management discussion and analysis report, describing the company's objectives, estimates and expectations may constitute forward-looking statements within the meaning of applicable laws or regulations. Actual results may differ materially from those either expressed or implied.

n. Compliance

Timely submission of various returns and data information to BSE, and NSE and other regulatory bodies and govt of india has been ensured through the compliance department of the your company.

o. Corporate Governance

A detailed report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

PLACE : AHMEDABAD
DATE : 29/04/2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :

There is a great impact of strong Corporate Governance for strong and stable partnership with the Investors and stakeholders for their confidence and trust in our company. The detailed report on implementation of Corporate Governance Code as incorporated in revised Clause 49 of the Listing Agreement with the Stock Exchanges is set out below: -

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The company has adopted a policy of strong Corporate Governance to ensure good objectives and to measure and monitor the performance of level transparency & accountability in the functioning of the Company which helps efficient management of Company's affairs and protecting the interests of shareholders, employees, lenders, clients etc. and also emphasis on compliance of statutory laws.

During the year under review, the Company has fully complied with the requirements of revised Clause 49 of the Listing Agreements and also assures to continue its efforts by raising its standards in corporate governance. The systems and procedures are such that will keep pace with the changing economic environments.

The detailed report on implementation of Corporate Governance Code as incorporated in revised Clause 49 of the Listing Agreement with the Stock Exchanges is set out below.

2. BOARD OF DIRECTOR :

Composition and Category of Directors:

The composition of the Board of Directors of the Company is in conformity with revised Clause 49 of the Listing Agreement with the Stock Exchange. The present Board of Directors of the Company consists of four members comprising all Non- Executive and three Independent Directors. The Chairperson of the Company is a Non-Executive Director. The number of Non-Executive and Independent Directors exceeds one-half of the total number of Directors.

Present Composition and other details of Board of Directors of the Company.

Name of Director	Executive / Non-Executive/ Independent	No of outside directorship(s) (*)	No of Memberships in other Board Committees	Number of Chairmanship(s) in other Board Committees
Chirag D.Mehta	Non-Executive	1	2	—
Bhavna D. Mehta	Chairperson Non-Executive	1	—	—
Upen P. Parekh	Non-Executive & Independent	NIL	2	1
R.D.Sojitra	Non-Executive & independent	1	2	1

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- Excludes alternate directorships, directorships in private/foreign companies and interest in firms/other bodies.
- Includes memberships of only audit and shareholders' grievances committee.

Meeting of Board of Directors and Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all the directors well in time of the Board Meetings. The Chairman / Director briefs the directors at every Board Meeting on overall performance of the Company. All major decisions / approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, statutory Compliance etc.

During the financial year under review, the Board of Directors met 4 times on 31/01/2013, 30/04/2013, 30/07/2013, and 30/10/2013.

Attendance of each Director at the Board Meetings and the Last Annual General Meeting:

Name of Director	Board Meetings attended	Attendance at last AGM
Chirag D. Mehta	4	Present
Bhavna D. Mehta, Chairpeson	4	Present
Upen P. Parekh	3	Present
R. D. Sojitra	4	Present

3. AUDIT COMMITTEE :

The Audit Committee was originally constituted in 1995. During the year 2013, the terms of reference and scope were revised to meet with the requirements prescribed under the Code of Corporate Governance and the Listing Agreement with the Stock Exchanges.

Broad Terms of Reference

The Audit Committee has been given the powers to deal with matters specified under revised Clause 49 of the Listing Agreement as well as under section 292A of the Companies Act, 1956.

In brief, the terms of reference include :

- Reviewing the Company's financial reporting process and disclosure of financial information, to ensure correctness and credibility.
- Reviewing the financial statements before their submission to the Board for approval;
- Reviewing the adequacy of internal control systems and internal audit functions;
- Reviewing the Internal and Statutory Auditors Reports, discussing any significant findings and reviewing the follow-up thereon;
- Recommending the appointment and removal of Statutory & Internal Auditors and fixation of their fees;
- Reviewing the nature and scope of audit with the Internal and Statutory Auditors and post-audit discussions to ascertain any areas of concern.

The scope of the Audit Committee also covers reviewing the applicability of various Accounting Standards issued by the Institute of Chartered Accountants of India.

Composition, Meeting and Attendance at the Audit Committee Meetings :

The Audit Committee presently comprises three members and all members including the Chairman are Non-Executive and Independent Directors:

1. Chirag D. Mehta Non-Executive Director.
2. Upen P. Parekh Chairman, Independent & Non-Executive Director.
3. R. D. Sojitra Independent & Non-Executive Director.

All members possess knowledge of corporate finance, accounts and corporate laws.

During the year, the members met four times on 31/01/2013, 30/04/2013, 30/07/2013, and 30/10/2013. The attendances of the members at the meeting is given below :

Name of the Member	Designation	No. of Meetings Attended
Chirag D.Mehta	Member	4
R. D. Sojitra	Member	3
Upen P. Parekh	Chairman	4

The Committee invites the Head of the Finance Department, the President of the Company and the Internal & Statutory Auditors to participate in the meeting.