

2012

19th Annual Report

**Mehta Securities Ltd.
Ahmedabad**

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

NOTICE

Notice is hereby given that **19th 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, **29th JUNE, 2013** at **11.00 A.M.** to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Accounts of the Company for the year ended 31st DECEMBER 2012 and the Balance Sheet as on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R D. Sojitra retires 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: 29/04/2013
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 29/06/2013.
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 Share Registry 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: 29/04/2013
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Details of the Directors seeking Appointment / Reappointment in forthcoming Annual General Meeting
(As per Revised clause 49 of Listing Agreement)

Name of the Directors	: R.D. Sojitra
Date of Birth	: 01/10/1961
Date of Appointment	: 20/04/2006
Qualification	: B.Com Inter CA
Expertise in Specific functional areas	: Business
List of Public Limited Companies in which Directorships held:	1
Chairman / Member of the Committees of the Board of Directors of the Company.	: Audit Committee, Share-holders, Grievances
Shareholding in the company (No. of shares)	: 4300

DIRECTOR'S REPORT

To,
The Members,
MEHTA SECURITIES LIMITED,
Ahmedabad.

Your Directors have pleasure in presenting the 19th Annual Report of the Company along with Audited Accounts for the year ended 31ST DECEMBER 2012.

1. FINANCIAL RESULTS :

The financial results of the Company for the year ended on 31ST DECEMBER 2012 as compared to the previous year are summarized below :-

	(Rs. In Lacs) 31/12/2012	(Rs. In Lacs) 31/12/2011
Total Income	49926.00	20481.30
Total Expenditure	49918.19	20566.62
Profit/(Loss) before Taxation	7.82	(46.98)
Provision for Income Tax	Nil	Nil
Net Profit/Loss After Tax	7.82	(46.98)

2. PERFORMANCE AND FUTURE OUTLOOK :

During the year under review, the Company has a gross income of Rs. 7.82 lacs.

The Company has during the year under review, provided appropriate amount towards increase in investments value, which has resulted into Profit. The indian economy shows promise of growth and development in the capital market.

3. DIVIDEND :

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

4. DIRECTOR :

One of your Directors viz. Mr. R. D.Sojitra retires from office by rotation in accordance with the requirement of The Companies Act, 1956. He however, being eligible, offers himself for reappointment.

5. PARTICULARS OF EMPLOYEES :

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

6. 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.

7. 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.

8. 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 2012.

9. DIRECTORS' RESPONSIBILITY STATEMENT :

Your Director Confirm:-

- That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation.
- The application of certain accounting standards by the Directors has lead the company to acquire smooth progress at the end of the financial year ended as on 31st December 2012.

(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.

10. LISTING :

The equity shares of the Company are listed on The Bombay Stock Exchange Limited, Listing fees for the year 2012-13 have been duly paid.

11. CORPORATE GOVERNANCE:

A detailed section on the code of Corporate Governance forms part of the Annual Report.

12. 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DATE : 29/04/2013

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, 2012 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, 2012 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 : 29/04/2013
Place : Ahmedabad

- Director

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. Opportunities and Threats :

The company has future looking to the growth of the Indian economy and developing capital and debt markets and is well 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.

c. 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.

d. Credit Risk

The risk is being constantly managed on an ongoing manner.

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. Recent Trend and Future Outlook :

The low IIP and GDP growth is likely to change over a period of time on active government intervention and liberalization policies.

g. 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.

h. 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.

i. Financial Performance with respect to Operational Performance :

The financial performance of the Company for the year 2012 is described in the Directors' Report under the head "Financial Results".

j. 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.

k. 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 2012.

l. 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.

m. 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 company.

n. 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 : 29/04/2013

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 Chairman 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 Independent	NIL	3	—
Bhavna D. Mehta	Chairperson Non-Executive	1	3	1
Upen P. Parekh	Non-Executive & Independent	NIL	3	2
R.D.Sojitra	Non-Executive & independent	NIL	4	—

- 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 31/01/2012, 30/04/2012, 30/07/2012, and 30/10/2012.

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, Chairman	4	Present
Upen P. Parekh	4	Present
R. D. Sojitra	2	Present