

MEHTA SECURITIES LIMITED

AHMEDABAD

21ST

ANNUAL REPORT

2014

MEHTA SECURITIES LIMITED

CIN - L67120GJ1994PLC022740

ISIN - INE241B01010

BSE Scrip Code - 511738

Registered Office:

02, Law Garden Apartment,
Scheme-I, Opp. Law Garden,
Ellisbridge, Ahmedabad 380 006

Board of Directors:

Bhavna D. Mehta (DIN: 1590958)
Chirag D. Mehta (DIN: 484709)
Upen P. Parekh (DIN: 1649900)
Ramnik D. Sojitra (DIN: 350946)

Auditors:

Dinesh K. Shah & Co.
Chartered Accountants
507, Hemkoot Complex,
B/H LIC Building
Ashram Road,
Ahmedabad- 380009
Membership No.- 010477
Firm Reg. No.- 102602W

Bankers:

HDFC Bank

Registrar & Share Transfer Agent:

M/s. Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Industrial Estate
J. R. Boricha Marg
Lower Parel, Mumbai-400 011.
Tele. No. (022) 23016761, 23010771
Fax No. (022) 23012517
E-mail ID: busicomp@vsnl.net

Listing of Equity shares:

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai. - 40000

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NOTICE

The 21st ANNUAL GENERAL MEETING OF MEHTA SECURITIES LIMITED will be held on Saturday, 27th June, 2015 at 09:00 A.M at 002, Law Garden Apartment, Scheme-I, opp. Law Garden, Ellisbridge, Ahmedabad-380 006 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st December, 2014 and the Balance Sheet as on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Bhavna D. Mehta (DIN- 1590958), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139,141 and 142 and any other applicable provisions, if any, of the Companies Act, 2013 read with the rules thereto; Dinesh K. Shah & Co., Chartered Accountants (Firm Registration. No- 102602W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 26th Annual General Meeting at such remuneration plus service tax at the applicable rate, from time to time, plus out-of-pocket expenses incurred by them for the purpose of audit of the Company's accounts, exclusive of any remuneration, fees or charges payable to them for rendering any other services that may be rendered by them to the Company from time to time other than in the capacity of Auditors, as may be fixed by the Board of Directors.”

SPECIAL BUSINESS :

4. Appointment of Independent Director:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as also pursuant to Clause 49 of the Listing Agreement, Mr. Ramnik D. Sojitra (DIN: 350946), a Non-Executive and independent director of the Company whose period of the office is not liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) years in a term upto 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

5. Appointment of Independent Director:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and as also pursuant to Clause 49 of the Listing Agreement, Mr. Upen P. Parekh(DIN: 1649900), a Non-Executive and independent director of the Company whose period of the office is not liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) years in a term upto 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. Appointment And Remuneration of Managing Director.

To consider and, if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to appoint Mrs. Bhavna D. Mehta (DIN: 1590958) as Managing Director of the Company to hold office for a period of five years with effect from 28th February, 2015

FURTHER RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to pay a remuneration of 84,00,000/- (Rupees eighty four lacs only) per annum to Mrs. Bhavna D. Mehta, Managing Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid as per Law, Rules and Regulation from time to time.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Bhavna D. Mehta, Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of 84,00,000/- (Rupees eighty four lacs only) per annum.”

The material terms of re-appointment and remuneration are given below.

Remuneration:

1. Salary Rs. 84,00,000 p.a.
2. Perquisites and Allowances:
 - a. Furnished Residential accommodation or housing allowances, expenses of furnishing Gas, Electricity, water, Helper, Gardener, and other utilities shall be borne by the Company.
 - b. Medical expense and Reimbursement of actual expense of self and family and allowance will be paid as decided by board of directors from time to time.
 - c. Leave travel concession/allowance for self and family.
 - d. Fees of clubs subject to maximum 2 clubs, which will include admission and life membership fees.
 - e. Personal accident insurance as per the rules of company.
 - f. A car with driver for official purpose.
 - g. Telephone and Fax facilities at residence.
 - h. Children Allowance, Hostel Allowance, Transport Allowances as per Company's rules.
 - i. Any other expense incurred for the purpose of conducting the business of the Company.
3. Other benefits:
 - a. The company's contribution to provident fund, Pension Funds, superannuation or annuity fund, Commutation of Pension.
 - b. Gratuity and Death cum Retirement Gratuity payable shall be as per the rules of the company.
 - c. Retrenchment Compensation or compensation on Voluntary Retirement or Golden Hand Shake.
 - d. Life Insurance Policy.
 - e. Leave encashment as per the rules of the company.

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- f. Use of company's car and telephone at resident for official purpose as per the rules of the company.

7. Borrowing Limits of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a),(c),(d) and any other applicable provisions of the Companies Act, 2013 and the rules made there under, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors,

- (a) To sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company,
- (b) To borrow any sum or sums of money from time to time, from any one or more of Company's bankers and/or from financial institutions, banks/Corporate or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, provided that the total outstanding amount of such borrowings shall not exceed Rupees 100 Crore (One Hundred Crore Rupees) over and above the aggregate of the paid up capital of the company and its free reserves at any time.

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

- (C) To remit, or give time for the repayment of, any debt due from a director."

Creation of Charges on the assets of the Company :

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to ratify, accept, create such mortgages, charges and hypothecations/Pledge as may be necessary on such assets of the Company, both present and future, in such manner as the Board/Committee of the Board may think fit and proper, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages, pledge or

hypothecations are created, shall not, at any time exceed the limit of Rs. 100 Crore (One Hundred Crore Rupees).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies/Trustees, the documents for creating the aforesaid mortgages, charges, pledge and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

8. **Private Placement of Non-Convertible Debenture (NCD):**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolutions**:

“RESOLVED THAT pursuant to the provisions of Sections 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under, as may be amended from time to time, consent of the members be and is hereby accorded for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures (“NCDs”) (whether secured or unsecured) on a private placement basis to Banks/Financial Institutions/Trusts/Other eligible Investors, in one or more tranches upto an amount not exceeding overall borrowing limits of the Company, as approved by the Members, from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof formed for this purpose), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the NCDs.”

9. **Related Party Transactions:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Clause 49 of Listing Agreement read together with Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meeting of Board and its Power) Rule, 2014 and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), subject to compliances of all applicable laws and regulations, the consent of members of the Company by means of Special Resolution be and is hereby accorded to the Board of Directors to ratify existing contracts and enter into contracts and/or arrangements with MEHTA INTEGRATED FINANCE LTD and MEHTA HOUSING FINANCE LTD, Directors, associates their relatives and associated companies/persons as defined under the Act the details of which are mentioned in the Explanatory Statements of this resolution and as board of directors deems fit to sell, purchase or supply of any goods or materials and to render or avail any service of any nature upto Rupees 100 crore (Rupees One Hundred Crore) or such other amount, as the Board in its discretion deem proper, as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purpose of identification and in such form and manner as it may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory,

contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, to sign and execute all deeds, applications, documents, and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for purpose of giving effect to this Resolution.”

10. Adoption of New Articles of Association of Company Incorporating Provisions of Companies Act, 2013:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provision of section 14 and other applicable provisions, if any, of Companies Act 2013 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the existing Articles of Association of the company be and is hereby replaced with the new Articles of Association, draft whereof was placed in the meeting and was initialed by the Chairperson for the mark of identification and the new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place and in substitution of the existing Articles of Association.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

11. Issue of shares pursuant to scheme of ESOS.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”), or any statutory modification(s) or re-enactment of the Act or the Guidelines, and subject to the approval of the Reserve Bank of India and such other approvals, consents, sanctions, if any, under other applicable laws and regulations, the Articles of Association of the Company, Foreign Exchange Management Act, 1999 and Listing Agreements entered into by the Company with the Stock Exchanges, where the securities of the Company are listed and subject to any condition(s) and modification(s) as prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (herein after referred to as “the Board”, which term shall include Nomination and Remuneration Committee or such other Committee of the Board), consent of the Company be and is hereby accorded to the Board to grant, offer, issue and allot, in one or more tranches, to such permanent employees of the Company/Associate Company whether working in India or out of India and Directors of the Company/Associate Company whether Whole-time Directors or otherwise but excluding an Independent Director, Promoter Director and Promoter (hereinafter referred to collectively as “the Employees”), as may be decided by the Board, Options exercisable by the Employees under a scheme specified by board to subscribe to such number of equity shares and/or equity linked instruments which would give rise to the issue of equity shares (herein after referred to collectively as the securities) of the Company not exceeding an aggregate of 5 % (Five percent) of the existing issued, subscribed and paid-up equity share capital of the

Company i.e. up to 154470 equity shares of Rs. 10/- each or at such price, period and on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT the Options may be granted/allotted in accordance with the Scheme either directly or through an existing trust or a trust which may be setup in any permissible manner and that the Scheme may also envisage for providing any financial assistance to the employees or the trust to acquire, purchase or subscribe to the Securities of the Company.

RESOLVED FURTHER THAT the terms and conditions governing the Scheme are detailed in the Explanatory Statement annexed to the notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the Explanatory Statement to this item in this Notice and to make any modification(s), change(s), variations(s), alteration(s), or revision(s), in the terms and conditions of the Scheme from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme.

RESOLVED FURTHER THAT the options allotted pursuant to this resolution shall, upon conversion into Equity Shares of the Company, shall rank pari-pasu with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under the Scheme on the Stock Exchanges where the securities of the Company are listed, as per the provisions of the Listing Agreements with the Stock Exchange(s) concerned, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard to such issue, allocation, allotment and utilization of the proceeds, at any stage, including at the time of listing of Securities without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

12. **Advance Loans, provide guarantee/security and make investment in excess of the prescribed limit:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to provision of section 186 of Companies Act, 2013 and other applicable provisions, if any, the consent of the members of the company be and is hereby accorded to existing transactions as per Companies Act, 1956 and further to give loans, provide guarantee/security and make investments in excess of the prescribed limit of a sum not exceeding Rupees 100 crore (Rupees One Hundred Crore) by way of giving loans,

guarantees to associate Companies and/or other Body Corporate, providing guarantee/security for and/on behalf of its Associate Companies and invest by way of subscription and/or purchase of Shares /Debentures/Bonds, notwithstanding that such investments or such investments together with the Company's existing investments in all other body corporate shall be in excess of the limits prescribed under section 186 of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as, in its absolute discretion, may be considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered by the Board of Directors to be in the interest of the Company.”

13. Loans to Directors/Interested Parties:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT existing loans, book debts to Directors and interested persons as per Companies Act, 1956 as well as further henceforth pursuant to section 185 of companies Act, 2013 and other applicable provisions, if any, the Board, Directors and the management of the company be and is hereby ratified authorized by a special resolution as per the scheme laid down at the meeting under section 185(1)(a) of the Act, to advance loans including any loans represented by book debt to any of its Directors or to any other person in whom the directors is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person.

RESOLVED FURTHER THAT the board shall ensure that such transactions are in the ordinary course of business and not prejudicial to any of the parties as well as fair and reasonable to the business needs of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as, in its absolute discretion, may be considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered by the Board of Directors to be in the interest of the Company.

14. Non-cash transaction involving Directors:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 192 of Companies Act, 2013 and other applicable provisions, if any, the Company be and is hereby authorized to enter into arrangements by which a Company, or an Associate Company or a person connected with him acquires or is to acquire directly or indirectly assets for consideration other than cash from the Company or from such Directors or persons so connected with the Company or vice-versa by the Directors from the Company or its associate Companies upto a sum equal to 50 Crore (Fifty Crore Rupees) or part thereof.