

ANNUAL REPORT

2007-08

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ALKA INDIA LIMITED

**E-211, CRYSTAL PLAZA, 2ND FLOOR, NEW LINK ROAD,
ANDHERI (W), MUMBAI-400 053**

ANNUAL REPORT

2007-2008

BOARD OF DIRECTORS

Mr. Satish R. Panchariya Chairman & Managing Director

Mr. Ashok R. Panchairya Executive Director

Mr. Madanlal B. Purohit Director

Mr. Sandeep K. Sharma Director

Mr. Mukesh B. Chaoradiya Director

AUDITORS

K.C. Parikh & Associates
Chartered Accountants

104, Shail, Swagat Restaurant Lane,
B/h, Girish Coldrink, C.G. Road, Ahmedabad - 380009.

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Indl. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East) Mumbai - 400072.

REGISTERED OFFICE

E-211, Crystal Plaza, Opp. Fame Adlabs,
New Link Road, Andheri (West)
Mumbai - 400 053.

ALKA INDIA LIMITED

NOTICE

NOTICE is hereby given that Fifteenth Annual General Meeting of the members of Alka India Limited, will be held on Tuesday, 31st March, 2009 at 9.30 a.m. at E-211, Crystal Plaza, opp. Fame Adlabs, New Link Road, Andheri (West) Mumbai – 400053 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th September, 2008 and the Audited Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mukesh Choradiya, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution: -

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311, 316, 317 read with Schedule XIII of the Companies Act, 1956 and any other applicable provisions if any, of the Companies Act, 1956, and subject to the approval of the members at a General Meeting Mr. Satish Panchariya, be and is hereby appointed as a Managing Director of the Company within the meaning of Section 2(26) of the Companies Act 1956, for a period of five (5) years with effective from 1st April, 2009 on such terms and conditions as mentioned in the draft agreement, which is specifically sanctioned with liberty to the Remuneration Committee of Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors .”

“FURTHER RESOLVED THAT any one of the Directors of the Company be and are hereby authorised to file necessary forms in this behalf with the Registrar of the Companies, Maharashtra and to do all such other acts, deeds, and things to give effect to the this resolution.”

Registered Office :
E-211, Crystal Plaza, Opp. Fame Adlabs
New Link Road, Andheri (W)
Mumbai – 400053.

By Order Of the Board of Directors.
For ALKA INDIA LIMITED
Sd/-
Satish Panchariya
Chairman & Managing Director

Place : Mumbai
Date: 28th February, 2009

ALKA INDIA LIMITED**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE 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 27th March,2009 to 31st March,2009 (both days inclusive).
3. Members are requested to notify changes, if any, in their address to the Company's Registered Office. In case their shares are held in dematerialized form, the information should be passed on to their respective Depository Participants without any delay.
4. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID nos. for easier identification
5. Members seeking further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Registered Office at least 10 days before the date of the Meeting so that the information can be made available at the meeting.
6. As required in terms of Clause 49 of the Listing Agreement, the details of the Directors who are proposed to be re-appointed/ appointed are furnished below:
 - a) Shri. Mukesh Choradiya Retires by rotation and being eligible offers himself for reappointment.

Registered Office :
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 New Link Road, Andheri (W)
 Mumbai – 400053.

By Order Of the Board of Directors.
For ALKA INDIA LIMITED
 Sd/-
 Satish Panchariya
 Chairman & Managing Director

Place : Mumbai
 Date: 28th February,2009

ALKA INDIA LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 172(2) OF THE COMPANIES ACT,1956 :**ITEM NO. : 4**

The Board of Directors of your Company strongly recommend to re-appointment of Mr. Satish Panchariya, as a Managing Director of your Company. The Board of Directors proposed at its meeting held on 28th February,2009 to re-appoint Mr. Satish Panchariya, as a Managing Director subject to the approval of shareholders.

He has also have Good Contacts with the Industry people, which will enable us to work easy and fast to get maximum output.

The draft Agreement between the Company and Mr. Satish Panchariya as Managing Director of the Company contains the following principal terms and conditions:

1. Period: For Five years From 1st April,2009.
2. Remuneration: Salary in the scale of Rs. 3,00,000 – Rs. 10,00,000 per annum, with authority to the Board to fix the salary within the abovementioned scale from time to time. The annual increment will be merit-based and take into account the Company's performance.
3. The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors/Remuneration Committee as it may in its discretion, deem fit, within the maximum amounts payable to Managing Directors in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.
4. If, at any time, the Managing Director ceases to be a Director of the Company for any case to be the Managing Director in terms of the said Agreement shall terminate forthwith.
5. The Managing Director shall, subject to the supervision and control of the Board of Directors, be entrusted with such powers and perform such duties as may, from time to time, be delegated/entrusted to him.
6. If the Managing Director ceases to be a Managing Director, if he shall cease to be a Director of the Company.
7. The appointment of Managing Director can be terminated either by the Company or by him, by giving to the other, three month notice in writing .

The Compliance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

None of the Directors except Mr. Satish Panchariya himself is interested and concerned at item no. 4 of the notice.

ATKA INDIA LIMITED

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DIRECTORS' REPORT

**TO,
THE MEMBERS**

Your Directors have pleasure in presenting their 15th Annual Report together with the Audited Statement of accounts for the year ended 30th September, 2008.

FINANCIAL RESULTS

The working results of the Company for the year ended on 30th September, 2008 are as follows:-

Rs. In lakhs

	As On 30-09-2008	As On 30-09-2007
Gross Profit/(Loss)	(190.84)	118.06
Less: Depreciation	100.72	99.71
Profit/(Loss) before Taxation (PBT)	(291.56)	18.35
Less: Provision for Income Tax	0.25	4.50
Less: Deferred Tax Adjustments	(27.93)	(8.35)
Less: Provision for Fringe Benefit Tax	1.02	00.81
Profit/(Loss) After Tax (PAT)	(320.76)	21.39
Add: Profit/(Loss) brought forward	(760.65)	(782.04)
Add: Transferred from General Reserve	-	22.11
Add: Transferred from Amalgamation Reserve	-	-
Surplus available for appropriation	(1081.41)	(760.65)

APPROPRIATIONS

Rs. In lakhs

	As On 30-09-2008	As On 30-09-2007
Profit/(Loss) carried to Balance Sheet	(1081.41)	(760.65)
Total	(1081.41)	(760.65)

DIVIDEND

Due to losses, your directors are not in a position to recommend any dividend for the year.

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956.

PARTICULARS REGARDING EMPLOYEES

There are no employees who is in receipt of remuneration exceeding the limit specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended

ALKA INDIA LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

A. CONSUMPTION OF ENERGY & TECHNOLOGY ABSORPTION:

The details as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption are not applicable

B. FOREIGN EXCHANGE EARNING & OUT GO :

	Current year	Previous year
(a) Earning :	Nil	Nil
(b) Outgo :	Nil	Nil

DIRECTORATE

1. To appoint a Director in place of Mr. Mukesh Choradiya, who retires by rotation and being eligible offers himself for re-appointment ;

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following.

1. In the preparation of the annual accounts, the Accounting Standards to the extent applicable had been followed along with proper explanations relating to material departures.
2. Adequate accounting policies had been selected & applied them consistently and made judgments and estimates that are reasonable & prudent so as to give true & fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.
4. The annual accounts have been prepared for the financial year ended 30th September, 2008 on a going Concern basis.

ALKA INDIA LIMITED

REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance is annexed to this Annual Report. The Company has complied with the conditions of corporate governance as stipulated in clause 49 of the listing agreement. The certificate obtained from the auditors of the company regarding compliance of conditions is annexed to this report.

AUDITORS

The Auditors M/s. K.C. Parikh & Associates, Chartered Accountants, Ahmedabad retire and being eligible offer themselves for re-appointment. You are requested to re-appoint the auditors and fix their remuneration.

Auditors Remarks

The provision for leave encashment have not been made in as much as the liability to pay such leave encashment would be taken care of when it is accrued. Every debtors and creditors of the company was requested to confirm the debit or credit balance as the case may be in their accounts. The confirmation from various creditors/debtors have not been received till the finalization of the accounts. The Company does not have any control over the debtors/creditors and has taken the balance as appears in its ledger accounts.

LISTING

The Shares of the Company are listed on Stock Exchanges at Ahmedabad and Mumbai. Listing fees has been paid to both the Stock Exchanges..

APPRECIATION

The Board places on record the appreciation of the sincere and devoted services rendered by all the employees and the continued support and confidence of the Shareholders. The Board also expresses their sincere thanks to the Banks and all other well wishers for their timely support.

Registered Office :
E-211, Crystal Plaza,
Opp. Fame Adlabs,
New Link Road, Andheri (West),
Mumbai – 400 053.

For and on behalf of Board of Directors

Sd/-
Satish R. Pandhariya
Chairman & Managing Director

PLACE : Mumbai
DATED : 28-02-2009

ALKA INDIA LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion & Analysis Report Pursuant to Clause 49 of Listing Agreement,

Industry Structure and Development:

The Company's products can be classified under the Textile Products. The Company is taking all necessary steps to maximize the profitability of the Company. As for the previous year, Company has entered in bullion segment, but could do only a little during the year. Looking to the huge scope available in bullion sector both domestically and in International Market, Company is planning to enter into trading activities in bullion market, looking that there is a huge scope available for the same as per the current market conditions.

• Opportunities and Threats:

- Our product is intermediary product for user industries and the development will be based on dependant other industries.

✓ The Company is making continuous efforts to produce different grades of products to meet the requirement of its customers.

✓ The Company is making efforts for exploring other avenues to increase its sales of different varieties of Garments.

✓ Any changes in international price of its products and fluctuations in foreign exchange will have effect on the profitability of the Company.

❖ Segment or Product wise performance:

The Company operates in single business segment, i.e. Textile comprising cotton, yarn, fabrics etc.

Outlook:

The outlook for the Company appears bright on a long term basis. The Company is hopeful that its performance in the years to come would be encouraging, as the Company is planning to start the trading in bullion in national as well as in international market.

Risk and Concern:

The Company is exposed to a number of risks. Some key risks have been mentioned below:

1. The Raw Material prices are market driven being an agricultural product and any natural calamity such as drought/flood will affect the profitability of the company.
2. Any change in fashion will also have bearing on the profitability of the company.

ALKA INDIA LIMITED

Internal Control system and their adequacy.

The Company has a good system of internal controls in all spheres of its activity. The internal control system is supplemented by effective internal audit headed by the Internal Auditor, a qualified Chartered Accountant. All the staff of the internal audit department are well trained in internal control procedures and well versed with computerized environment. The Management regularly reviews the findings of the internal auditor and effective steps to implement the suggestions/observations of the Auditors are taken and monitored regularly. In the opinion of the Board, an effective internal control system adequate to the size of the Company is in place.

Financial Performance.

For the year 2007-08 Net Profit (Loss) after Tax is Rs.(320.77)Lacs against Loss of Rs. 21.39 Lacs during the previous year.

Human Resources / industrial Relations.

The Company is regularly conducting seminars and workshops to improve the safety and maintenance of the factory. The Company is deputing employees for attending seminars, for updating their skills and knowledge.

The logo for Report Junction.com is centered on the page. It features the word "Report" in a grey sans-serif font, followed by a yellow diamond icon containing a black arrow pointing upwards and to the right. To the right of the icon is the word "junction.com" in a green sans-serif font. The entire logo is enclosed within a light green rounded rectangular border.