

**ANNUAL REPORT**



**2008 - 2009**

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अलका - इंडिया  
**ALKA - INDIA**

**ALKA INDIA  
LIMITED**

## **ALKA INDIA LIMITED**

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### **ANNUAL REPORT 2008-2009**

#### **BOARD OF DIRECTORS**

Mr. Satish R. Panchariya	Chairman & Managing Director
Mr. Ashok R. Panchariya	Executive Director
Mr. Madanlal B. Purohit	Independent Director
Mr. Sandeep K. Sharma	Independent Director
Mr. Mukesh B. Choradiya	Independent Director
Mr. Ananat K. Sharma	Independent Director

#### **AUDITORS**

Agrawal Jain and Gupta  
Chartered Accountants

Shp No.2 , Ashok Vihar,Jaipur Road , Chomu  
Jaipur -303702.

#### **REGISTRAR AND SHARE TRANSFER AGENT**

Sharex Dynamic (India ) Pvt Ltd  
Unit No.1 , Luthra Indl.Premises  
Andheri Kurla Road , Safed Pool,  
Andheri (East) Mumbai- 400 072.

#### **REGISTERED OFFICE**

E-211, Crystal Plaza, Opp. Fameadlabs,  
New Link Road, Andheri (W),  
Mumbai-400053,  
Maharashtra.

**NOTICE**

**NOTICE** is hereby given that Sixteenth Annual General Meeting of the members of Alka India Limited, will be held on Wednesday, 31<sup>th</sup> March, 2010 at 9.30 a.m. at , Kailash Parbat, Crystal Plaza , New Link Road, Andheri (West) Mumbai – 400053 to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 30<sup>th</sup> September, 2009 and the Report of Directors and Auditors thereon ;
2. To appoint a Director in place of Mr. Madanlal Purohit, who retires by rotation and being eligible offers himself for re-appointment ;
3. To re-appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

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

“RESOLVED THAT Mr. Ananat Sharma, who was appointed as an Additional Director during the year and who in terms of Sec. 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting, be and is hereby appointed as the Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.”

**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 26<sup>th</sup> March, 2010 to 31<sup>st</sup> March, 2010 (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.

**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**

**Satish Panchariya**  
**Chairman & Managing Director**

**Place : Mumbai**  
**Date : 4<sup>th</sup> March, 2010**

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

Mr. Anant Sharma was co-opted on the Board of Directors of the Company as Additional Directors to hold office until the date of ensuing annual general meeting.

Mr. Anant Sharma has wide experience in Investment Banking and accordingly the Board is proposing to appoint him as an ordinary director in the ensuing AGM. Accordingly, the resolutions are placed before the members for him consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company. Brief profile and other details of Mr. Anant Sharma as per clause 49 of the listing agreement are given in the Report on Corporate Governance, which is enclosed with the Directors' Report of the Company.

None of the Directors except Mr. Anant Sharma himself is interested and concerned at item nos. 4 of the notice



**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended 30<sup>th</sup> September, 2009.

**FINANCIAL RESULTS:**

The working results of the Company for the year ended on 30<sup>th</sup> September, 2009 are as follows:

Rs. In Lakhs

Particulars	Year Ended On 30.09.2009 Rs.	Year Ended On 30.09.2008 Rs.
Gross Profit/Loss	(17.18)	(190.84)
Less : Depreciation	49.02	100.72
Profit/(Loss) before Taxation (PBT)	(66.20)	(291.56)
Less : Provision for Income Tax	58.89	0.25
Less : Deferred Tax Adjustments	(61.17)	(27.93)
Less: Provision for Fringe Benefit Tax	-	1.02
Profit/ (Loss) After Tax (PAT)	(63.93)	(320.76)
Add : Profit/(Loss) brought forward	(1081.41)	(760.65)
Add: Transfer from General Reserve	Nil	Nil
Add: Prior Year Adjustments.	(495.16)	Nil
Surplus/(Deficit)	(1640.50)	(1081.41)

**APPROPRIATIONS :**

	Year Ended On 30.09.2009 Rs.	Year Ended On 30.09.2008 Rs.
Profit/(Loss) carried to Balance Sheet	(1640.50)	(1081.41)
Total	(1640.50)	(1081.41)

**DIVIDEND:**

Your directors do not recommend dividend for the year 2008-2009.

**OPERATIONS:**

Your Directors are confident in recording a sustainable growth in the operation during the current year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:****A.CONSUMPTION OF ENERGY & TECHNOLOGY ABSORPTION:**

The details as required under section 217 (1)(c) 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 & OUTGO:**

	Current Year	Previous Year
a) Earning	Nil	Nil
b) Outgo	Nil	Nil

**DIRECTORATE:**

During the year under review Mr. Madan Purohit retire by rotation as Director of the Company at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

During the year under review Mr. Anant Sharma was appointed as directors of the company.

**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 and applied 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 financial year and of the profit of the Company for the 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 and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared for the financial year ended 30<sup>th</sup> September, 2009 on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

During the year, there were no employees whose information is required to be given as per Section 217(2A) read with the Companies (Particular of Employees) Rules, 1975 as amended.

**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.

**FIXED DEPOSITS:**

During the year under review the Company has neither invited nor accepted Public Deposits.

**AUDITORS :**

The Auditors M/s. Agrawal Jain And Gupta, Chartered Accountants, Jaipur are Reappointed and being eligible offer themselves for re-appointment. You are requested to re-appoint the auditors and fix their remuneration.

**AUDITOR'S 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 and credit balances as the case may be in their accounts. The confirmations 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 Mumbai Stock Exchange.

**APPRECEIATION:**

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 (W)  
Mumbai – 400053.

**Director**

**By Order Of the Board of Directors.**  
**For ALKA INDIA LIMITED**

**Satish Panchariya**  
**Chairman & Managing**

**Place : Mumbai**  
**Date: 4<sup>th</sup> March, 2010**

**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 section 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 international market.

**Risk Management:**

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 the fashion will also have bearing on the profitability of the Company.

**Internal Control Systems and their adequacy:**

The company has adequate systems of internal control covering all financial and operational activities. The internal control are designed to provide reasonable assurance with regard to maintaining proper accounting controls, protecting assets form unauthorized losses and ensuring reliability of financial and operational information and proper compliance with regulations. In the opinion of the Board, an internal control system adequate to the size of the Company is in place.

**Financial Performance:**

For the year 2008-09 Net Profit (Loss) after tax is Rs. (63.93) Lacs against Loss of Rs. (320.76) Lacs during the previous year.

**Human Resource / 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.

**CORPORATE GOVERNANCE REPORT**

In the line with the requirement for providing a 'Report on Corporate Governance' as per revised clause 49 of the Listing Agreement with the Stock Exchange given herein below is a report on the Company's Corporate Governance norms.

**I. Company's Philosophy on Code of Governance:**

Corporate Governance is all about commitment to values and ethical business conduct. The Company believes in setting the highest standards in good and ethical corporate governance practices. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis. The Company is managed by the Managing Director under the supervision and control of the Board of Directors. Corporate Governance in the Company is a systematic process by which Company is directed and controlled to enhance its wealth generating capacity.

**II. Board of Directors:**

Composition and category of Directors and their attendance at Board Meetings and last Annual General Meeting is as follows :

The Board of Directors met eight times during the financial year 2008-09 on following dates:  
30/10/2008, 19/1/2009, 30/1/2009, 28/02/2009, 29/04/2009, 30/4/2009, 25/5/2009, 23/07/2009, 31/07/2009,

Name of Directors	Category of directorship	No. of Board Meeting attended		Attendance at last AGM	Committee position in Other Company	
		Held	attend		Chairman	Member
Mr. Satish R. Panchariya	Promoter & Managing Director	9	9	Yes	Nil	Nil
Mr. Madanlal Purohit	Non Executive & Independent Director	9	8	Yes	Nil	Nil
Mr. Ashok Panchariya	Promoter & Executive Director	9	7	Yes	Nil	Nil
Mr. Mukesh Choradiya	Non Executive & Independent Director	9	5	Yes	Nil	Nil
Mr. Sandeep Sharma	Non-Executive & Independent Director	9	9	Yes	Nil	Nil

**Board's Procedure:**

It has always been the company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, acquisition of asset, mortgages, guarantees, donations etc. are regularly placed before the Board. This is in addition to information with regard to actual operations and minutes of all the Committee Meetings.

The Minimum information as required as per code of Corporate governance is being made available to the Board as and when applicable.

**III. COMMITTEES OF THE BOARD :****a) Audit Committee :**

The Audit Committee has been constituted as per section 292 A of the Companies Act 1956 and guidelines set out in the Listing Agreement with the Stock Exchanges. The Audit Committee of the Company, inter-alia, provides an assurance to the Board on the existence and adequacy of effective internal control systems that ensures:

- Efficiency and effectiveness of operations
- Safeguarding of Assets and adequacy of provisions for all Liabilities
- Reliability of all financial and other management information and adequacy of disclosures
- Compliance with all relevant statutes.



The committee has powers as envisaged under Clause 49 (ii) of the Listing Agreement and as specified by the Board of Directors of the Company and includes the following terms of references:

- Powers of Audit Committee:
  - i. To investigate any activity within its terms of reference.
  - ii. To seek any information from any employees
  - iii. To obtain outside professional legal advice
  - iv. To secure attendance of outsiders with relevant expertise, if considered necessary

- Review of information by Audit committee :

The audit committee mandatorily review the following information:-

- i) Management discussion and analysis of financial conditions and result of operations.
- II. Statement of significant related party transaction (as defined above), as submitted by management.
  - i) Management letter / letters of internal control weakness issued by the statutory Auditors.
  - ii) Internal Audit Report relating control weakness, and
- b) Any other matter with the specified permission on the Board.

#### Composition and attendance:

The audit Committee comprises of three Directors namely, Mr. Satish Panchariya, Mr. Ashok Panchariya and Mr. Sandeep Sharma.

The Composition of the Audit Committee is as follow:

Name of member	Category	Remark
Mr. Madanlal Purohit	Non-executive & Independent Director	Chairman of Audit committed
Mr. Satish Panchariya	Promoter & Managing Director	
Mr. Sandeep Sharma	Non-executive & Independent Director	Resigned on 1 <sup>st</sup> December, 2009
Mr. Anant Sharma	Non-executive & Independent Director	Appointed on 1 <sup>st</sup> December, 2009

Mr. Madanlal Purohit is the Chairman of Audit Committee

#### Meetings and attendance :

During the financial year ended 30<sup>th</sup> September, 2009 four audit committee meeting were held on 30/10/2008, 30/01/2009, 29/04/2009, 31/07/2009, 31/08/2009

Name of member	No. of Meeting	
	Held	Attended
Mr. Madanlal Purohit	5	5
Mr. Satish Panchariya	5	4
Mr. Sandeep Sharma	5	5

#### B. Remuneration Committee:

##### a) Composition:

The Company has a remuneration committee. The remuneration paid to Executive Director is approved by the committee and within the limits set by the shareholder at the General Meeting. The Non Executive directors are not paid any remuneration except sitting fees.

The Remuneration Committee while deciding the remuneration package of the senior management members takes in to consideration the following points.

1. Employment Scenario
2. Remuneration package of the industry
3. Remuneration package of material talent of other industry
4. Performance of company and individual performance.

Presently the company does not have any stock option scheme

The Committee comprises of three directors Mr. Madanlal Purohit, Mr. Sandeep Sharma and Mr. Mukesh Choradiya. One meeting of the Remuneration Committee was wherein Mr. Sandeep Sharma and Mr. Madanlal Purohit remained present.

Mr. Madanlal Purohit is the Chairman of the Remuneration Committee.

For the financial year ended 30/09/2009, Mr. Satish Panchariya, Managing Director and Mr. Ashok Panchariya, Executive Director of the Company have been paid remuneration, which is as under :

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Satish Panchariya Managing Director	3,00,000	Nil	3,00,000
Mr. Ashok Panchariya Executive Director	3,00,000	Nil	3,00,000