



# **Alka India Limited**

**ANNUAL REPORT  
2010-2011**

# **ALKA INDIA LIMITED**

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## **ANNUAL REPORT 2010-2011**

### **BOARD OF DIRECTORS**

Mr. Ramakant Sharma	Chairman and Managing Director
Mr. Satish R. Panchariya	Executive Director
Mr. Ashok R. Panchariya	Executive Director
Mr. Madanlal B. Purohit	Independent Director
Mr. Anant K. Sharma	Independent Director
Mr. Neel A. Doctor	Independent Director

### **AUDITORS**

Agrawal Jain and Gupta  
Chartered Accountants  
Shop No. 2, Ashok Vihar, Jaipur Road,  
Chomu, Jaipur - 303 702.

### **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.  
022 22641376 / 022 22702485  
[www.sharexindia.com](http://www.sharexindia.com) / [info@sharexindia.com](mailto:info@sharexindia.com)

### **REGISTERED OFFICE**

E-211, Crystal Plaza, Opp. Fame Adlabs,  
New Link Road, Andheri (W),  
Mumbai - 400 053,  
Maharashtra.  
022 26736334  
[alkaindia@gmail.com](mailto:alkaindia@gmail.com)

*Marching Ahead For A Better Tomorrow*

**NOTICE**

**NOTICE** is hereby given that Eighteenth Annual General Meeting of the members of Alka India Limited, will be held on Wednesday, 14th March, 2012 at 9.30 a.m. at Kailash Parbat, K. P. Restaurants, 7A/8A, 'A' Wing, 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 30th September, 2011 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 M/s. Agarwal Jain & Gupta, Chartered Accountants, Jaipur, 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. Ramakant Sharma who was appointed as an Additional Director during the year and who in terms of Section 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.”

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

**“RESOLVED THAT** pursuant to provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII to the Act, Mr. Ramakant Sharma be and is hereby appointed as Managing Director of M/s Alka India Limited for a period of five years commencing from 5th October, 2011 on the terms and conditions contained in the 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 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.”

**NOTES :**

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING AND IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, VOTE INSTEAD OF HIMSELF EVEN BY WAY OF POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 9th March, 2012 to 14th March, 2012 (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 to them at the meeting.

**Registered Office :**

E-211, Crystal Plaza,  
Opp. Fame Adlabs,  
New Link Road, Andheri (W),  
Mumbai – 400053.  
Place : Mumbai  
Date : 13<sup>th</sup> February, 2012

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

sd/-  
**Ramakant Sharma**  
Chairman & Managing Director

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:****Item No. 4**

Mr. Ramakant Sharma was appointed on the Board of Directors of the Company as Additional Directors, to hold office until the date of ensuing Annual General Meeting. And accordingly the Board is proposing to appoint him as an ordinary Director in the ensuing Annual General Meeting. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board hereby recommends the proposed resolutions for adoption in the larger interest of the Company.

None of the Directors except Mr. Ramkant Sharma are interested and concerned in item nos. 4 of the notice

**Item No. 5**

The Board of Directors of your Company strongly recommend to appointment of Mr. Ramakant Sharma, as a Managing Director of your Company. The Board of Directors proposed appoint Mr. Ramakant Sharma as a Managing Director subject to the approval of shareholders.

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

1. Period: For Five years From 5th October, 2011.
2. Remuneration: Salary in the scale of Rs. 1,80,000 – Rs. 3,00,000 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. Ramakant Sharma himself is interested and concerned at item no. 4 of the notice.

**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended 30<sup>th</sup> September, 2011.

**FINANCIAL RESULTS :**

The working results of the Company for the year ended on 30<sup>th</sup> September, 2011 are as follows:

<b>Particulars</b>	<b>Year Ended On 30.09.2011 Rs.</b>	<b>Year Ended On 30.09.2010 Rs.</b>
Net --- Profit/Loss	(30,955,584)	(60,819,267)
Less : Depreciation	1,234,226	1,169,803
Profit/(Loss) before Taxation (PBT)	(32,189,810)	(61,989,070)
Less : Provision for Income Tax	-	-
Less : Deferred Tax Adjustments	-	(19,862,740)
Less: Provision for Fringe Benefit Tax	-	-
Profit/ (Loss) After Tax (PAT)	(32,189,810)	(42,126,330)
Add : Profit/(Loss) brought forward	(206,176,297)	(164,049,967)
Add: Transfer from General Reserve	NIL	NIL
Add: Prior Year Adjustments.	(138,860)	-
Surplus/(Deficit)	(19, 61,99,780)	(20,61,76,297)

**APPROPRIATIONS :**

	<b>Year Ended On 30.09.2011 Rs.</b>	<b>Year Ended On 30.09.2010 Rs.</b>
Profit/(Loss) carried to Balance Sheet	(19,61,99,780)	(20,61,76,297)
Total	(19,61,99,780)	(20,61,76,297)

**DIVIDEND:**

Your directors do not recommend dividend for the year 2010-2011.

**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)(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 & OUTGO:**

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

**DIRECTORATE:**

During the year under review Mr. Madanlal Purohit who retire by rotation as Director of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Ramakant Sharma was appointed as directors of the company w.e.from 5th October, 2011. He is Commerce Graduate and from ARMY.

Mr. Satish Panchariya resigned from the post of Managing Director however he is continue as a Director on board of your 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 profits 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 frauds and other irregularities.
4. The Annual Accounts have been prepared for the financial year ended 30th September, 2011 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, are Reappointed as the statutory auditors of the Company at the forthcoming Annual General Meeting.

The Company has received letters from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**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.**

**LISTING:**

The Shares of the Company are listed on Stock Exchanges at Mumbai. Listing fees has been paid to Bombay Stock Exchange Limited.

**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.

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

sd/-

**Ramakant Sharma**  
Chairman & Managing Director

Place : Mumbai

Date : 13<sup>th</sup> February, 2012

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**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 in both domestic and in International Market, Company is planning to enter into trading activities in bullion & Textile markets, 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 users, industries and the development will be based on and dependent upon other industries.

The Company is making continuous efforts in trading different grades of products to meet the requirements of its customers.

The Company is making efforts for exploring other avenues to increase its sales for 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 trading in bullion & textile garments 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 from 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 2010-11 Net Profit (Loss) after tax is Rs. (321.89) Lacs against Loss of Rs. (421.26) Lacs during the previous year.

#### **Human Resource / Industrial Relations:**

The Company is regularly conducting seminars and workshops to improve the safety. 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 Five times during the financial year 2010-11 on following dates: 12th November, 2010, 11th February, 2011, 4th March, 2011, 5th May, 2011, 10th August, 2011

## III. 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.

Name of Directors	Category of Directorship	No. of Board Meeting attended		Attendance at last AGM
		Held	Attended	
Mr. Satish R. Panchariya	Promoter & Managing Director	5	5	Yes
Mr. Madanlal Purohit	Non Executive & Independent Director	5	5	Yes
Mr. Ashok Panchariya	Promoter & Executive Director	5	5	Yes
Mr. Anant Sharma	Non Executive & Independent Director	5	3	Yes
Mr. Neel Doctor	Non Executive & Independent Director	5	4	Yes

## 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.