

ALKA SECURITIES LIMITED

11th Annual Report

ALKA SECURITIES LIMITED

(The Member of National Stock Exchange Ltd.)

2004-2005

ALKA SECURITIES LIMITED**ELVENTH ANNUAL REPORT****CONTENTS**

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The Annual General Meeting will be held on Friday, the 30th September 2005 at 10.00 A.M. at 602, Mangal Murti, Ashram Road, Ahmedabad - 380 009.

Shareholders are requested to bring their copy of Annual Report in the Annual General Meeting.

ALKA SECURITIES LIMITED

DIRECTORS:	Mrs. ALKA PANDEY Mr. MAHENDRA PANDEY Mr. RAVI PANDEY Mr. RAJKUMAR SHARMA Mr. ANIL KUMAR KHAITAN	Chairperson & Managing Director
COMPANY SECRETARY	Mr. D.K.MEENA	
AUDITORS	B.N.KEDIA & CO. Chartered Accountants, Mumbai	
SOLICITORS	M.P. VASHI & ASSOCIATE	
REGISTERED OFFICE	602, MANGAL MURTI ASHRAM ROAD AHMEDABAD - 380 009	
CORPORATE OFFICE	203, ANUPAM, BUILDING 2nd FLOOR, DADABHARI CROSS ROAD NO. 02 ANDHERI (W), MUMBAI- 400 058.	
BRANCH OFFICE	3/A, RAHIMTOOLA HOUSE 2ND FLOOR, 7 HOMJI STREET, FORT, MUMBAI- 400 001. 11, SHREE PALACE, 1ST FLOOR ROAD NO. 3, DAULAT NAGAR BORIVALI (E), MUMBAI- 400 066.	
BANKERS	CANARA BANK BANK OF INDIA HDFC BANK LTD. INDUSIND BANK LTD.	
REGISTRARS AND SHARE TRANSFER AGENTS:	PURVA SHAREGISTRY INDIA PVT. LTD. 33 PRINTING HOUSE 28-D POLICE COURT LANE FORT, MUMBAI - 400 001. TEL : 261 7957 / 263 2967 FAX : 262 6407	

ALKA SECURITIES LIMITED**NOTICE****TO THE SHAREHOLDERS**

Notice is hereby given that the Eleventh Annual General Meeting of the Members of the Company will be held at 602, Mangal Murti, Ashram Road, Ahmedabad - 380 009 on Friday, the 30th day of September, 2005 at 10.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March 2005 and the Directors' Report and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Anil Kumar Khaitan, who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in place of Mr. Ravi Pandey, who retires by rotation and being eligible offers himself for re-election.
4. To appoint M/s. B.N. Kedia & Co, Chartered Accountants as Auditors of the company and to fix their remuneration who retire at the ensuing General Meeting.

Explanatory statement as required by section 173 of the companies Act, 1956**Item No.4:**

M/s Chitlangia & Company, Chartered Accountants, the retiring auditors have advised that they do not seek re-appointment as the Company's Auditors at the forthcoming Annual General Meeting. The Board of Directors recommend that M/s B. N. Kedia & Co., Chartered Accountants, be appointed as Company's Auditors to hold office till the conclusion of the next Annual General Meeting. The said auditors have given their consent to their appointment as Auditors of the Company. Certificate has been obtained from the said Auditors that appointment, if made, will be in accordance with the limits specified in sub - section (1B) of the Companies Act, 1956. The Directors place on record their appreciation of the valuable services rendered by M/s. Chitlangia & Co., Chartered Accountants, as Auditors. Accordingly, it is proposed to appoint M/s B. N. Kedia & Co., Chartered Accountants, as the Statutory Auditors of the Company.

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 8th September, 2005

Alka Pandey
Chairperson

ALKA SECURITIES LIMITED

NOTES: -

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him self and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than before the commencement of the meeting.

2. Shareholders are requested to bring their copy of Annual Report to the Meeting.

3. Member /Proxies should fill the attendance slip for attending the Meeting.

4. In case of joint holders attending the meeting, only one joint holder who is higher in the order of name will be entitled to vote.

5. Member who hold the shares in dematerialize^d form are requested to write their Client ID and DPID number and those Who hold shares in physical form are requested to write their Folio Number in attendance slip for attending the meeting.

6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Sunday Between 11.00 A.M. to 1.00 A.M. up to the Annual General Meeting,

7. (A) The Company has decided to closure of register of Member, and transfer books thereof from Saturday, 27th September 2005 to Tuesday, the 29th September, 2005 (both days inclusive) for the purpose of A.G.M.

8. consequent upon the introduction of sec. 109A of the Companies Act 1956, share holders are entitled to make nomination in respect of shares held by them in physical form , share holders desirous of making nomination are requested in form to be (which will be made available on request)
To the registrar and transfer agent M/S Purva Sharegistry India Private limited,

9. Queries on accounts and operations of the Company, if any, may please be send to the Company seven days in advance of the meeting so that the answers may be available at the meeting

10. Members are requested to bring their personal copy of the Annual Report to the meeting.

ALKA SECURITIES LIMITED

DIRECTORS' REPORT

To
THE SHAREHOLDERS

Your Directors submit their Report and the Audited Accounts of the Company for the year ended 31st March 2005.

FINANCIAL RESULTS

The result for the current year and those for the previous year are set out in this paragraph

	(Amt.in Rs.)	(Amt.in Rs.)
Profit before Depreciation and Interest	3,667,489	2,044,056
Less:- Provision for Depreciation	1,363,816	326,457
Interest	621,029	144,025
Profit / (Loss) before Tax	1,682,644	1,573,574
Provision for Tax - Current	520,000	550,000
- Deferred	82,119	(23,931)
Profit / (Loss) after Tax	1,080,525	1,047,505
Balance brought forward from previous year	2,886,067	1,838,562
Profit/(Loss) carried to Balance Sheet	3,966,592	2,886,067

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DIVIDEND

To conserve the resources of the Company, Directors do not recommend any dividend on Equity shares for the year under consideration.

OPERATIONS

During the year under review, the operations of the Company were better than the previous year. Your company has managed to generate sufficient revenue to meet its operational costs.

BUSINESS

During the year under consideration performance of your company was satisfactory keeping in view the business conditions. In view of the improvement shown by the Stock Market and general business environment, your Directors are considering the option of starting operations of Future & Option Segment, which will be a major activity in the stock market in times to come. Your Directors are confident that as a result of these activities performance of your company will improve.

OUTLOOK FOR THE COMPANY

Keeping in view the current improvement in the share market and recovery trend shown by industry in general, your Directors are confident that in coming year company's performance will improve. Your Directors are confident that starting up of Future & Option Segment will further improve the performance of the Company.

ALKA SECURITIES LIMITED

LISTING

The Equity Shares of the Company are listed on Mumbai Stock Exchanges. The Company has paid the Annual Listing Fees Rs.30,000/- to the Mumbai Stock Exchange for the year 2004-2005.

DIRECTORS

Mr. Anil Kumar Khaitan & Mr. Ravi Pandey would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As specifically required under the Companies Act, 1956, your Directors state:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. that such accounting policies have been selected which have been applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at the end of the financial year ended 31st March, 2005 and of the Profit and Loss Account for the said financial year, i.e. April 1, 2004 to March 31, 2005.
- iii. that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken.
- iv. that the Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A Report on Corporate Governance in compliance with The Stock Exchange, Mumbai Listing Agreement is attached and forms part of this Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

Company takes adequate steps to avoid wasteful consumption and conservation of energy.
The Company does not require any technology for its existing business.
There were no Earnings and Outgo in Foreign Exchange.

ALKA SECURITIES LIMITED

AUDITORS

M/s. B.N.Kedia & Co., Chartered Accountants, the Auditors of the Company would retire at the ensuing Annual General Meeting and are eligible for re-appointment. You are requested to appoint Auditors and fix their remuneration.

ACKNOWLEDGEMENTS

The Directors wish to place on record their deep appreciation for the support and co-operation extended to the Company by the Financial Institutions, Bankers and employees of the Company.

FOR AND ON BEHALF OF THE BOARD

Mumbai,

ALKA PANDEY

CHAIRPERSON



ALKA SECURITIES LIMITED

MANAGEMENT'S DISCUSSION & ANALYSIS

The management of Alka Securities Limited presents the analysis of performance of the Company for the year 2004-2005 and its outlook for the future. This outlook is based on the assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

OVERVIEW:

The company is in the Stock Market. The stock market shown upward trend. The starting up of Future & Option Segment will further improve the performance of the Company.

BUSINESS ENVIRONMENT :

With continuous improvement shown by the Stock Market and general business environment is good. The option of starting operations of Future & Option Segment, which will be a major activity in the stock market in times to come.

PERFORMANCE :

The company's performance during the year ended 31st March, 2005 was as under:

	2004-2005	2003-2004
Income from Operation & Others (Rs.in lacs)	268.07	172.98
PBDIT (Rs. In lacs)	30.46	19.00
PBIT (Rs. In lacs)	16.83	15.73

During the year under consideration performance of your company was satisfactory keeping in view the business conditions. In view of the improvement shown by the Stock Market and general business environment, your Directors are considering the option of starting operations of Future & Option Segment, which will be a major activity in the stock market in times to come. Your Directors are confident that as a result of these activities performance of your company will improve.

OUTLOOK :

Keeping in view the current improvement in the share market and recovery trend shown by industry in general, your Directors are confident that in coming year company's performance will improve. Your Directors are confident that starting up of Future & Option Segment will further improve the performance of the Company.

INTERNAL CONTROL SYSTEM:

The Company has adequate internal control system.

ALKA SECURITIES LIMITED**Auditor's Report**

To
The Member's of
M/S ALKA SECURITIES LIMITED

We have audited the attached Balance Sheet of M/S ALKA SECURITIES LIMITED, as at 31st March 2005, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
5. On the basis of written representations received from the directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March,