



Alka Securities Limited



15th Annual Report

2008 – 2009

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Alka Securities Limited

"Maitri", Plot No.10, Road No.10, JVPD Scheme, Juhu, Vile Parle (W), Mumbai – 400 049

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **ALKA SECURITIES LIMITED** will be held at Privilege Inn, Opp Shakti Ford Showroom, Near Inorbit Mall, Goregaon Malad Link Road, Malad (W), Mumbai – 400 064 on Tuesday, 29th September 2009 at 10.00 a.m. to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Brijesh Kothari who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :
"RESOLVED THAT Mr. Diensh Kumar Bohra, who was appointed by the Board of Directors as an Additional Director of the Company effective from 30th April 2009 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice from a member under section 257 of The Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

BY ORDER OF THE BOARD
For **ALKA SECURITIES LIMITED**

ALKA PANDEY
CHAIRPERSON & MANAGING DIRECTOR

Registered Office:

Maitri, Plot No.10, Road No.10,
JVPD Scheme, Juhu
Vile Parle (W), Mumbai – 400 049

Date: Aug 25, 2009

Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company not less than 48 hours before the time of Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2009 to 29th September 2009 (both days inclusive).
3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of the business under item no.5 & 6 and the relevant details of item no. 3, above pursuant to clause – 49 of the listing agreement are annexed hereto

Alka Securities Limited

“Maitri”, Plot No.10, Road No.10, JVPD Scheme, Juhu, Vile Parle (W), Mumbai – 400 049

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 5

At the meeting of the Board of Directors held on 30th April 2009, Mr. Dinesh Kumar Bohra was appointed as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as “the Act”) read with Article 134 of the Articles of Association of the Company, Mr. Dinesh Kumar Bohra holds office up to the date of the forthcoming Annual General Meeting of the Company.

A notice has been received from a shareholder under section 257 of the Act along with requisite deposit signifying intention to propose Mr. Dinesh Kumar Bohra as a candidate for appointment as a Director.

The Directors consider that the services of Mr. Dinesh Kumar Bohra shall be useful to the company and recommend he be appointed as Director of the Company. Mr Dinesh Kumar Bohra does not hold any shares of the Company.

Mr. Dinesh Kumar Bohra is interested in the resolution at item no. 5 of the Notice since it relates to his appointment. None of the other Directors are interested in the said resolution.

BY ORDER OF THE BOARD
For ALKA SECURITIES LIMITED

ALKA PANDEY
CHAIRPERSON AND MANAGING DIRECTOR

Registered Office:

Maitri, Plot No.10, Road No.10,
JVPD Scheme, Juhu
Vile Parle (W), Mumbai – 400 049

Date: Aug 25, 2009

Place: Mumbai

DETAILS OF DIRECTORS RETIRING AND SEEKING REAPPOINTMENT (In Pursuance of Clause 49 of the Listing Agreement)

- | | |
|---|--|
| 1. Name | : Mr. Brijesh Kothari |
| Date of Birth | : 6 th December 1976 |
| Qualification | : MBA |
| Experience in Specific Functional Area | : Rich experience in the field of Capital Market and Financial Product Sector. |
| Directorship in other Companies | : NIL |
| Committee Positions held In other companies | : NIL |
| 2. Name | : Mr. Dinesh Kumar Bohra |
| Date of Birth | : 15 th July 1960 |
| Qualification | : B. Com |
| Experience in Specific Functional Area | : Experience of 20 years in Capital Market. |
| Directorship in other Companies | : NIL |
| Committee Positions held In other companies | : NIL |

ALKA SECURITIES LIMITED

15TH ANNUAL REPORT (2008 – 2009)**ALKA SECURITIES LIMITED****Attendance Slip**

Registered Office: Maitri, Plot No.10, Road No.10, JVPD Scheme, Juhu, Vile Parle (W), Mumbai – 400 049

ANNUAL GENERAL MEETING – 29TH SEPTEMBER 2009 AT 10.00 A.M

DP.ID	
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Client ID/ Folio	
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No. of Shares	
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NAME & ADDRESS OF THE REGISTEERD SHAREHOLDER

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Privilege Inn, Opp Shakti Ford Showroom, Near Inorbit Mall, Goregaon Malad Link Road, Malad (w), Mumbai – 400 064 on Tuesday, the 29th September 2009 at 10.00 a.m.

Member's/Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

(TEAR HERE)

ALKA SECURITIES LIMITED**FORM OF PROXY**

Registered Office: Maitri, Plot No.10, Road No.10, JVPD Scheme, Juhu, Vile Parle (W), Mumbai – 400 049

I/We.....

Of.....in the district of.....being a member/members of Alka Securities Limited hereby appoint.....

Of.....in the district ofor failing him

.....of.....in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 29th September 2009 and at any adjournment thereof.

Signed this.....day of.....2009

DP. ID	
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Client ID/ Folio No	
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No of Shares	
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Signature.....

Affix a
Re.I
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CORPORATE INFORMATION

Board of Directors

Mrs. Alka Pandey	:	Chairperson and Managing Director
Mr. Brijesh Kothari	:	Executive Director
Mr. Ashok Shukla	:	Non Executive Independent Director
Mr. Rajkumar Sharma	:	Non Executive Independent Director
Mr. Gopaldas Chaudhary	:	Non Executive Independent Director
Mr. Dinesh Kumar Bohra	:	Non Executive Independent Director

Registered Office	:	“Maitri”, Plot No.10, Road No.10, JVPD Scheme, Juhu Vile Parle (west), Mumbai – 400 049.
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Corporate Office	:	Heera Building 2 nd Floor, Mint Road Fort, Mumbai- 400 001.
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Offices	:	11, Shree Palace, 1 st Floor, Daulat Nagar Road No. 3 Borivali (East), Mumbai- 400 066.
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Statutory Auditors	:	M/s. B. M. Gattani & Co. Chartered Accountants
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Principal Bankers	:	Bank of India
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Share Transfer Agents	:	M/s.Purva Sharegistry (India) Pvt. Ltd. 9, Shivshakti Industrial Estate,. J. R. Borisa Marg, Sitaram Mills Compound, Lower Parel (E), Mumbai – 400 011.
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Stock Exchange Where Company's Securities are Listed	:	Bombay Stock Exchange Limited Mumbai
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Web Site	:	www.alkasecurities.com
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MANAGEMENT'S DISCUSSION & ANALYSIS

OVERVIEW:

The Company is into Stock Broking and is a member of National Stock Exchange (NSE). Company operates in Capital Market – Cash Segment, Future & Options (F & O) segment and Whole Sale Debt Market (WDM). During the current year Company also took Membership of Currency Derivative Segment (CDX) of NSE, this segment is yet to take off.

The year was marred by International Financial Crisis and world over grappled with recession. Indian Capital Market too was not unaffected by this and the year saw grim situation prevailing in all the sectors. The situation seems to be reviving somewhat and coming year may see some better scenario. The estimates and judgements relating to the financial statements have been made on a prudent basis so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year.

BUSINESS ENVIRONMENT:

The year 2008 – 09 was a year of struggle in form of word wide recession across the sectors. We have witnessed one of the worst financial crises of the century. Barely there was any sector which remained unaffected by these global phenomena. Indian business and market were also not spared by this. We did face the turbulence and industry and economy in general struggled throughout the year. The situation now seems to be improving somewhat and we may see better things in days to come.

PERFORMANCE:

The company's performance during the year ended 31st March, 2009 was as under:

	2008 – 09	2007 – 08
Income From Operations (Rs. in Lacs)	358.02	458.66
Operating Expenses (Rs. in Lacs)	21.23	76.44
Employee Cost (Rs. in Lacs)	93.15	91.66
Administrative Expenses (Rs. in Lacs)	102.09	110.57
Financial Charges (Rs. in Lacs)	78.06	35.64
Depreciation (Rs. in Lacs)	33.62	28.90
Profit Before Taxation (Rs. in Lacs)	245.59	199.87

INTERNAL CONTROL & ADEQUACY:

The company has proper & adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. Your Company also ensures that transactions are authorized, recorded and reported correctly. As a step further, your company has already taken steps to document its systems and processes.

RISKS MANAGEMENT SYSTEM:

We manage the risks associated with our broking operations through the use of internally developed credit algorithms implemented through fully automated risk management software and selective direct monitoring of certain operating parameters. Our automated risk management procedures rely primarily on internally developed risk management system. We manage our business risk through strict compliance and internal checks. We have a well-managed internal audit and internal control system working along with the external audit performing checks at regular intervals to identify any discrepancies and rectify at the earliest.

OPPORTUNITIES:

Our venture of going in retail business has paid off and we have achieved satisfactory rate of growth in spite of adverse market conditions. We are hopeful of increasing our presence in this sector as the market condition begins to better. We have also ventured into this year in Mutual Fund and Insurance distribution. These new sectors shall add to the revenues and shall make good the under performance of our existing business. With recession diluting and Economy showing signs of improvement we are hopeful of that newer avenues shall appear and opportunities will come.

RISK AND CONCERNS:

Our company has a diversified source of income such as Capital Market, Furture & Options Segment, Fixed Income Group and Mutual Fund Distribution, still economic slowdown, increase in interest rate, political instability remain key concerns. Our business continues to remain linked with the economic performance of the country. Company's performance shall be affected if Stock Markets were to decline sharply. Increased competition also is a cause of concern. Availability and retention of manpower is also a key considering the growing number of opportunity and increasing number of players in this field.

OUTLOOK:

The Indian economy has its own strengths and it has sound fundamentals, this fact had been proved in the current recession affecting the world. We were better off in comparison with other countries and have sailed through the situation in better way. International community has seen and accepted our wilt and sound economy which in turn will bring back investments and other projects in country once the situation starts reviving. We have technology platform at par with other players in the field and efficient risk management system. This, coupled with our growing geographical reach, should allow us to maintain our superior service delivery standards and improve selling of financial products and services to the investor fraternity. The new segment i.e. Retail which is being given thrust in the year shall certainly add to the revenue of the company. In coming year we will commence CDX segment which will also add to the revenues.

HUMAN RESOURCE:

Our people are our key assets of the organization. Skilled and talented manpower is the base for our services and quality of the services. Company follows the policy of "OWN YOUR DEPARTMENT POLICY", where we give freedom to the employee to work as if he is the owner of his department. Our highly motivated work force work towards providing a quality service and adding to the growth of the company. Company provides on the job training to the employees, where management personnel and senior executives train the junior executives and new appointees. Regular meetings are held with the personnel of all departments to share with each other their thoughts and suggestions for betterment of the processes and work lines.

CAUTIONARY STATEMENT:

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable securities laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company.

ALKA SECURITIES LIMITED15TH ANNUAL REPORT (2008-2009)**DIRECTOR'S REPORT****TO THE MEMBERS:**

1. The Directors hereby present the 15th Annual Report of the Company together with the audited statement of accounts for the year ended 31st March 2009.

2. FINANCIAL RESULTS:

	Year ended 31 st March 2009	Year ended 31 st March 2008
Income from Operation	57,374,457	54,309,538
Total Expenditure	21,646,965	27,867,315
Profit before finance cost, depreciation and tax (Operating Profit)	35,727,492	26,442,223
Finance Cost	7,806,130	3,564,350
Depreciation Cost	3,362,279	2,890,159
Profit before tax	24,559,083	19,987,714
Provision for Tax- Current	3,713,000	4,000,000
- Dividend Tax	815,250	1,069,584
- Reversal of Dividend Tax	(285,222)	-
- Deferred	(26,593)	122,442
Profit after Tax	20,342,648	14,795,688
Balance brought forward from previous year	14,593,983	7,460,970
Transfer to General Reserve	1,017,100	739,800
Proposed Dividend	4,797,000	6,922,875
Profit carried to Balance Sheet	31,157,002	14,593,983

3. OPERATIONS REVIEW:

During the year under review your company's performance has improved substantially. This was backed by the revenue from Mutual Fund Distribution business, Future & Options Segment and in current year significant amount was added by this segment in company's revenue. Wholesale Debt Market (WDM) segment has managed to maintain its past years performance to a certain extent and have shown some growth too. The retail segment in which your company entered last year has taken off well and will continue to grow and shall add to the revenues.

During the year your Company had obtained approval for starting its Depository Services of CDSL. This segment shall be operational in few months to come and shall give us as added advantage in the business.

4. DIVIDEND:

Your directors recommend a dividend of 5% on Equity Shares of the Company for the year under consideration.

5. FIXED DEPOSIT:

During the year under review, the Company has not received any deposits from the public pursuant to Section 58- A of the Company Act, 1956.

6. SUBSIDIARIES:

Alka Commodities Limited (ACL) [Formerly known as Alka Broking Ltd] continues to remain 100% subsidiary of the company. ACL is a member of Multi Commodity Exchange (MCX). During the year under consideration your company has invested Rs.20 lac in the subsidiary by subscribing to its Equity Shares. In accordance with Section 212 of the Companies Act, 1956, the detailed Accounts and the Directors Report of the Subsidiary, forms part of the Annual Report of the Company.

7. LISTING:

The Equity Shares of your Company are listed on The Stock Exchange, Mumbai. Listing fees to the Stock Exchanges have been paid for the year 2008 - 09.

8. DIRECTORS:

Mr. Brijesh Kothari retires by rotation at the Annual General Meeting and being eligible, offers them for re-appointment.

ALKA SECURITIES LIMITED**15TH ANNUAL REPORT (2008-2009)**

During the year Mr. Sajjan Kumar Sharma resigned from the Board. Board of Directors wish to thank them for their valuable input and contribution to the company during their tenure. The board has also received resignation from Mr. Raj Kumar Sharma and same had been accepted subject to approval from the NSE and SEBI, till the approval he remains on the Board of the Company. Mr. Gopal Das Chaudhary joined the Board during the year. Board has also considered appointing Mr. Vinod S Gupta as Director of the Company and appointment shall be effected after receipt of approval from NSE & SEBI.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management, confirm:-

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that they have prepared the annual accounts on a going concern

10. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the Accounting Standard AS – 21 on Consolidated Financial Statements, your directors provide the audited Financial Statement in the Annual Report.

11. AUDITORS:

The Auditors M/s. B. M. Gattani & Co, Chartered Accountants, Mumbai retire at the forthcoming Annual General Meeting and are eligible for reappointment. Your Directors propose the appointment of M/s B. M. Gattani & Co, Chartered Accountants, Mumbai auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

12. SEBI AD – INTERIM EX – PARTY ORDER

There has been an ad – interim ex – party order by SEBI against your company and the promoters passed by Whole Time Member of SEBI. SEBI had alleged that Company and the promoters have indulged in circular trading in the shares of the company and have passed an ad interim order dated 28th July 2009, restraining company & promoters from accessing the capital market till further notice. It has also put restriction on company to take new clients, also a restriction has been put to not to make any further changes in the share capital of the company. This order is an ad interim in nature and ex party, they have not yet taken our view on it. The Company has taken up the matter with the authorities. Your Directors wish to affirm you that these allegations are not correct. There has been some change in promoter shareholding due to family settlement among them and shares had been transferred from one promoter to another, SEBI has taken view on this off market transaction for circular trading. Your Directors are taking all necessary steps to resolve this matter as early as possible. Your Directors are confident that things shall be resolved and normal business will prevail. Your Directors wish to put on record their gratitude for the support shown by the shareholders and affirm that all necessary steps shall be taken to protect the interest of the company and the shareholders.

13. CONSERVATION OF ENGERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

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.

14. PARTICULARS OF EMPLOYEE:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules 1975, as amended, there are no employee whose details to be reported under this section.