

10th ANNUAL REPORT

ALKA SECURITIES LIMITED

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2003-2004

ALKA SECURITIES LIMITED**TENTH ANNUAL REPORT 2003-2004****CONTENTS**

<u>Particulars</u>	<u>Pages</u>
Notice	3
Directors' Report	4
Auditors' Report	7
Balance Sheet	12
Profit and Loss Account	13
Schedules A to N	14
Balance Sheet Abstract and Company's General Business Profile	21
Cash Flow Statement	22
Report on Corporate Governance	23
Disclosure under clause 43 A(2)	27
Auditor's Certificate	28
Attendance Slip & Proxy Form	29

The Annual General Meeting will be held on Thursday the 30th September, 2004 at 4.00 P.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: ALKA PANDEY Chairperson & Managing Director
RAJKUMAR SHARMA
ANIL KUMAR KHAITAN
RAVI PANDEY
MANESH MUKHERJEE

AUDITORS : DEVENDRA BHANDARI & CO.
CHARTERED ACCOUNTANTS

**SOLICITORS AND
ADVOCATES :** M.P.VASHI & CO.

BANKERS: CANARA BANK
BANK OF INDIA
CITI BANK
ICICI BANK
HDFC
INDUSIND BANK

**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

REGISTERED OFFICE: 602, MANGAL MURTI
ASHRAM ROAD
AHMEDABAD – 380 009

CORPORATE OFFICE: “203, Anupam Building
2nd Floor, Dadabhai Cross Road No. 02
Andheri (W), Mumbai- 400 058.

ALKA SECURITIES LIMITED

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Tenth Annual General Meeting of the Members of the Company will be held at 602, Mangal Murti, Ashram Road, Ahmedabad – 380 009 on Thursday, 30th September, 2004 at 4.00 P.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 2004 and the Directors' Report and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Ravi Pandey who retires by rotation and being eligible offers himself for re-election.
3. To appoint M/s Devendra Bhandari & Co, Chartered Accountants as Auditors of the company and to fix their remuneration who retire at the ensuing General Meeting.

For and on Behalf of the Board of Directors

Place: Mumbai
Dated: 8th September 2004

Alka Pandey
Chairperson

Registered Office:
602, Mangal Murti
Ashram Road
Ahmedabad – 380 009

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY –EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING IN DEFAULT, THE INSTRUMENT OF PROXY SHALL NOT BE TREATED AS VALID.
2. The Company had already notified closure of Register of Members and Share Transfer Books of the Company from Tuesday, September 28, 2004 to Wednesday, September 29, 2003 (both days inclusive).
3. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificate to the STA/Company.
4. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which shall be made available on request) to the STA, M/s. Purva Shareregistry India Pvt. Ltd.
5. The trading of shares of the Company have been put under compulsory dematerialized form. The Company has entered into agreements with M/s National Securities Depository Ltd., and Central Depository Services (India) Ltd. M/s. Purva Shareregistry India Pvt.Ltd. has been appointed as Registrar and Share Transfer Agents (STA) of the Company. All Members are advised to take steps for dematerialization of shares for easy liquidity.

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 2004.

FINANCIAL RESULTS

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

	2003-2004 (Amt.in Rs.)	2002-2003 (Amt.in Rs.)
Profit before Depreciation and Interest	1,252,282	288,977
Less:- Provision for Depreciation	288,923	212,554
Interest	144,025	33,038
Profit / (Loss) before Tax	819,334	43,385
Provision for Tax - Current	235,000	47,000
- Deferred	(23,931)	(13,378)
Profit / (Loss) after Tax	608,265	9,763
Balance brought forward from previous year	1,838,562	1,828,799
Profit/(Loss) carried to Balance Sheet	2,446,827	1,838,562

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 consideration 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, Ahmedabad and Baroda Stock Exchanges. The Company has paid the Annual Listing Fees Rs.30,000/- to the Mumbai Stock Exchange for the year 2003-2004.

DIRECTORS

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, 2003 and of the Profit and Loss Account for the said financial year, i.e. April 1, 2003 to March 31, 2004.
- 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 Mumbai Stock Exchange 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. Devendra Bhandari & 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, 8th September 2004

ALKA PANDEY
CHAIRPERSON



ALKA SECURITIES LIMITED

A u d i t o r ' s R e p o r t

To
THE MEMBERS OF
ALKA SECURITIES LIMITED

1. We have audited the attached Balance Sheet of Alka Securities Limited, as at 31st March 2004, 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.
2. 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.
3. 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.
4. Further we report that:
 - (i) 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;
 - (ii) 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.
 - (iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (iv) 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;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified

ALKA SECURITIES LIMITED

as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2004;

(b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

FOR Devendra Bhandari & Co.
Chartered Accountants

Devendra Bhandari
Proprietor

PLACE: Mumbai
DATE: 8th September, 2004.