# Annual Report 2012 - 2013

# Alka Securities Limited

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ALKA SECURITIES

## Corporate Information

### Board Of Directors

| | |
|---|---|
| Mrs. Alka Pandey | Chairperson & Managing Director |
| Mr. Mahendra Pandey | Executive Director |
| Mr. Tejas Pandey | Non-Executive Independent Director |
| Mr. Gopal Choudary | Non-Executive Independent Director |
| Mr. Dinesh Kumar Bohra | Non-Executive Independent Director |

### Registered Office

10, Maitri, North South Road No. 10, JVPD Scheme, Juhu, Vile Parle West, Mumbai 400 049

### Principle Bankers

Bank Of India

### Registrars & Share Transfer Agents

Purva Sharegistry (India) Private Limited
9, Shivshakti Industrial Estate, J. R. Borisa Marg, Sitaram Mills Compound, Lower Parel (E), Mumbai – 400 011

### Statutory Auditors

M/s. PSV Jain & Associates, Chartered Accountants

## Key Financial Highlights

| | **2012-13 (Rs. In Lacs)** | **2011-12 (Rs. In Lacs)** |
|---|---|---|
| Income From Operations | 0.00 | 0.10 |
| Operating Expenses | 0.00 | 1.00 |
| Employee Cost | 9.53 | 18.44 |
| Administrative Expenses | 11.77 | 10.24 |
| Financial Charges | 62.10 | 57.87 |
| Depreciation | 10.83 | 12.51 |
| Profit Before Taxation | (34.95) | (27.18) |

ALKA
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## Chairman's Message

Dear Shareholders,

In continuation of our theme of reinvention, we have decided to take a new outlook on business. The broking and financial services industry in India on the retail front is contracting. We believe therefore that it is prudent we withdraw from this business for the moment. I would like to inform you that your company has surrendered its membership to the National Stock Exchange which was approved on 24th February 2012. It has been a difficult decision for all of us. We are saddened that this integral part of our history and our growth and our business has to be let go. We plan to move all our existing business and liabilities related to stock broking to a wholly owned subsidiary where these issues will be dealt with expeditously.

This year, we have a large number of things lined up. Our research indicates that the media space is ripe for entry. We believe that we have the correct expertise and experience to enter this new vertical and we are sure of success. ASL will undergo a makeover to come out as a broadcaster. We intend on applying for a HITS broadcasting license which we believe is an enticing venture. We have an exciting plan and a fantastic team lined up to carry out the new business.

I assure you, our cherished partners, that ASL will overcome the misgivings of the past and move on and forge a bright and strong future.

**Alka Pandey**
**Chairman**
**Alka Securities Limited**

# Management Discussion & Analysis

## 1. Overview

The Company's primary business is stock broking and it is a member of the National Stock Exchange. With effect from February 2012, The Company has surrendered its membership to the National Stock Exchange and will withdraw from stock broking for an indefinite period. The investigations initiated by SEBI against The Company have concluded. The Company is looking at entering the media industry, focusing on the broadcasting vertical. The Company intends on applying for a HITS license this fiscal. The Company is in the process of readying a plan, a team and financing to carry out this venture.

## 2. Business Environment

2011-12 was a difficult year for the broking sector and we do not expect conditions to improve in 2012-13. The Company has exited the stock broking and financial services segment. The Company is looking to enter the media industry focusing on the broadcasting vertical. The media sector in India is poised to grow at 24% this year. The HITS broadcast method provides an alternative to D2H carrying services. The D2H market is saturated, however, there is significant potential for growth in the HITS segment.

## 3. 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.

## 4. Risk 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.

## 5. Opportunities

The Company is looking at opportunities in the short term that offer quick growth and steady cash flows and is looking to establish the framework that will allow the exploitation of opportunities that will arise in the long term.

## 6. Risk & Concerns

The Company has surrendered its broking membership to the National Stock Exchange. The Company therefore has no immediate business risks or concerns. The Company is in the process of arranging finance to settle

previous arrears and liabilities. These are expected to be resolved within a period of 18-24 months.

## 7. Outlook

The global economy seems to be weak and another recession is very likely given the current circumstances. The Company expects inflation to remain a primary concern and impediment to growth. Established sectors in India have high entry barriers and will continue to remain so, however, even during a period of recession, The Company forecasts the maturing of the consumer oriented online services industry.

## 8. Human Resources

The Company believes in a strong and motivated workforce complimented by an efficient and horizontally integrated work structure. An informal working environment allows managers and team members to interact regularly. Managers constantly encourage and reward innovation in the workspace and value all round development and competency in employees. Employees are also encouraged to train and develop skills other than their core qualifications that let them develop as individuals..

## 9. 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

## Directors Report

The Directors hereby present the 19th Annual Report of the Company together with the audited statement of accounts for the year ended 31st March 2013.

### 1. Financial Results

| | Year ended 31st March 2013 **(Rs. In Lacs)** | Year ended 31st March 2012 **(Rs. In Lacs)** |
|---|---|---|
| Income from Operation | 0.00 | 0.10 |
| Total Expenditure | 94.23 | 99.06 |
| Profit before finance cost, depreciation and tax (Operating Profit) | 37.98 | 43.20 |
| Finance Cost | 62.10 | 57.88 |
| Depreciation Cost | 10.83 | 12.51 |
| Profit before tax | (34.95) | (27.18) |
| Provision for Tax - | 0.00 | 0.00 |
| - Dividend Tax | 0.00 | 0.00 |
| - Reversal of Dividend Tax | 0.00 | 0.00 |
| - Deferred | 0.00 | (3.90) |
| Profit after Tax | (34.95) | (31.08) |
| Balance brought forward from previous year | 234.55 | 265.63 |
| Transfer to General Reserve | 0.00 | 0.00 |
| Proposed Dividend | 0.00 | 0.00 |
| Profit carried to Balance Sheet | 199.60 | 234.55 |

### 2. Operations Review

The Company has surrendered its membership to the National Stock Exchange of India. The Company is operating in a constrained environment.

The Company is focusing on planning and new business development and has directed maximum resources in that direction.

## 3. Dividend

Your directors do not recommend a dividend on Equity Shares of the Company for the year under consideration.

## 4. 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.

## 5. Subsidiaries

The Company has no subsidiaries on date.

## 6. 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 2011-12.

## 7. 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.

## 8. Auditors

The Auditors M/s. Chirawewala & Associates and M/s B.N. Kedia & Co., Chartered Accountants, Chartered Accountants, Mumbai retire at the forthcoming Annual General Meeting and are eligible for reappointment. Your Directors propose the appointment of M/s PSV Jain & Associates,

Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting of the Company.

## 9. Conversation Of Energy, Technology Absorption, Foreign Exchange Earnings & 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.

## 10. Particulars Of Employees

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 employees whose details to be reported under this section.

## 11. Employee Stock Option Scheme

During last year company has introduced ESOP Scheme for allotting warrants to the employees. Under the Scheme company has reserved 25, 00,000 Equity Shares to be issued to the employees under the Scheme. During the year under consideration no options were granted.

## 12. Report On Corporate Governance

### A. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to good Corporate Governance. The Company has been following good principle of business over the years by following all laws and regulations of the land with an emphasis on accountability and integrity. The code of Corporate Governance emphasizes the transparency of system to enhance the benefits to shareholders, customers, creditors and employees of the company.
Your company has complied with the requirements of the Corporate Governance Code as disclosed herein below:

### B. BOARD OF DIRECTORS

The board of the Company comprises the following Directors, having wide range of skills and experience in the field of management and industrial activities.

| Name of The Director | Category of Directorship | No. of Meetings Held During Year | No. of Meetings Attended | No. of other Directorships held | Committee Membership | Attendance at Last AGM |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| | | 2012-13 | | | | |
| Mrs. Alka Pandey | Director | 7 | 7 | Nil | | Y |
| Mr. Mahendra Pandey | Executive Director | 7 | 7 | 1 | | Y |
| Mr. Tejas Pandey | Non-Executive Independent Director | 7 | 7 | Nil | | Y |
| Mr. Gopal Choudary | Non-Executive Independent Director | 7 | 4 | Nil | | N |
| Mr. Dinesh Kumar Bohra | Non-Executive Independent Director | 7 | 5 | Nil | | N |

## C. DATES OF BOARD MEETING

Six Board Meetings were held during the year under review on the following dates:
10th May 2013, 21st May 2013, 21st July 2013, 30th September 2013, 20th October 2013, 28th October 2013, 10th November 2013 & 11th January 2013.

## D. COMMITTEES OF DIRECTORS

**a) Audit Committee**
The terms of reference and role are as prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956 and by the Board from time to time.
During the year 2012 – 13 the committee met 5 times. The composition of the Audit Committee and the attendance of the members is as under:

| Name of Director | Designation | Meetings Attended |
|---|---|---|
| Mr. Mahendra Pandey | Executive Director | 5 |
| Mr. Dinesh Kumar Bohra | Non-Executive Independent Director | 4 |
| Mr. Gopal Chaudahry | Non-Executive Independent Director | 5 |

**b) Remuneration Committee**

The Company has constituted a Remuneration Committee consisting of the following members:

| Name of Director | Nature of Directorship | Meetings Attended |
|---|---|---|
| Mrs.Alka Pandey | Executive Director | 1 |
| Mr. Tejas Pandey | Non-Executive Independent Director | 1 |
| Mr. Dinesh Kumar Bohra | Non-Executive Independent Director | 1 |

During the year under review no remuneration paid to Directors. During the year no sitting fees was paid to the Directors. One meeting held during the year under review.

**c) Investors Relations Committee**

The composition of the Investors Relations Committee (Shareholders/Investors Grievances Committee) is as under:

| Name of Director | Nature of Directorship | Meetings Attended |
|---|---|---|
| Mr. Mahendra Pandey | Executive Director | 4 |
| Mr. Tejas Pandey | Non-Executive Independent Director | 3 |
| Mr. Gopal Chaudhary | Non-Executive Independent Director | 2 |

In accordance with Clause 49(VI) (D) of the Listing Agreement with The Bombay Stock Exchanges, the Board has authorized Mr. Mahendra Pandey to approve share transfers/transmissions and comply with other formalities in relation thereto.
No Investor Complaints remain unresolved, which were received during the year under review.
There were no pending transfers as on 31st March 2013.

## E. GENERAL BODY MEETINGS

The details of last 3 Annual General Meeting (AGM) held are as under:

| Financial Year Ended | Date | Time | Place |
|---|---|---|---|
| 31-03-2010 | 11th August 2011 | 11:00 A.M | 203, Anupam, Dadabhai Cross Road No. 2, J.P. Road, Andheri (W), Mumbai 400 058 |
| 31-03-2011 | 30th September 2011 | 11:00 A.M | Maitri.10 JVPD Scheme Vile Parle (w) Mumbai- |