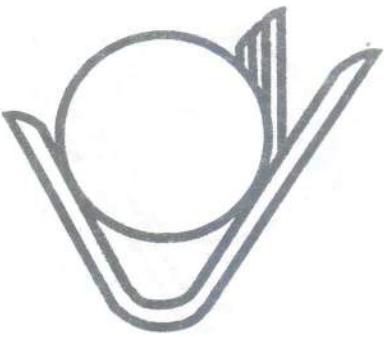


Annual Report

2012-13

VIKALP SECURITIES LIMITED

VIKALP SECURITIES LIMITED

Twenty Seventh Annual Report
2012-13

BOARD OF DIRECTORS	:	(I) MR. ARUN KEJRIWAL, MANAGING DIRECTOR (II) MR. SHARAD TANDON (III) MR. ASHISH DIXIT (IV) MR. T. N. AGARWAL (V) MR. VINOD KUMAR SHARMA
AUDITORS	:	CHAUDHARY PANDIYA & CO. 513, PLAZA KALPANA, 24/147-B, BIRHANA ROAD, KANPUR - 208 001 U.P.
BANKER (S)	:	(I) STANDARD CHARTERED BANK, KANPUR (II) STATE BANK OF INDIA, BIRHANA ROAD, KANPUR
REGISTERED OFFICE	:	25/38, KARACHI KHANA, KANPUR - 208 001

Directors' Report

To,
The Members

Your Directors have pleasure in presenting their Annual Report together with Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

	2012-2013	2011-2012
Total Income	3236183.53	2654618.47
Profit before Interest, Depreciation & Tax	-973377.14	99842.24
Less : Depreciation	5162.36	36694.75
Interest	00	00
PBT/(Loss) Before Tax	-978539.50	63147.49
Fringe Benefit Tax	00	00
Deferred Tax Assets /(Liability)	1012	6711
Current Year Income tax	492441	23613
Prior Period Income/(Expenses)	00	00
	-1469968.50	46245.49
Appropriation	00	00
General Reserve	00	00
Balance Carried to Balance Sheet	-1469968.50	46245.49

During the year under review, the total income of the Company is Rs. 3236183.53 as compared to previous year is Rs 2654618.47. The Company has incurred a loss of Rs. (978539.50) as compared to profit of Rs. 63147.49 in the previous year. Your Directors are planning to take effective steps to cover up the losses incurred and enhance the performance of the Company.

BUSINESS ACTIVITIES :

There is no change in the business activities of the Company since our last report. Save and except the company has submitted Resignation from Trading Membership and Surrendered The SEBI Registration Certificate. The SEBI has conveyed the approval of cancellation of certificate of registration and accepted resignation w.e.f. November 2012.

FIXED DEPOSITS :

Your Company has not accepted any deposits and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS :

Mr. Sharad Tandon, the director of the company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to requirements under section 217(2AA) of the Companies Act, 1956 the Board of Directors of your Company confirms:

I. That in the preparation of the annual accounts the applicable accounting standards had been followed and there are no material departures thereof.
II. That the directors had 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 as at March 31, 2013.
III. That the directors had taken 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;
IV. That the directors had prepared the annual accounts on a going concern basis.

COMMENTS OF THE DIRECTORS :

Since the Auditor Report does not contain any adverse remark, therefore the director's report does not call for further explanations.

AUDITORS :

M/s. Chaudhary Pandiya & Company, Chartered Accountants, Kanpur the Auditor's of the Company are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaudhary Pandiya & Company, Chartered Accountants, Kanpur to the effect that their appointment as Auditors, if made, would be within the limits under section 224 (1B) of the Companies Act 1956.

LISTING ON STOCK EXCHANGES :

The Company's equity shares are currently listed with the U. P. Stock Exchange Limited, Kanpur, Delhi Stock Exchange Limited, Delhi, The Mumbai Stock Exchange Assn. Ltd and The Calcutta Stock Exchange Ltd.

The Company has paid the requisite listing fees to the stock exchanges for the financial year under review except for Delhi Stock Exchange Limited and The Calcutta Stock Exchange Ltd as a delisting resolution had been passed in 2007 for the delisting of the shares from these stock exchanges. We have been advised that a fresh De novo formalities has to be done pursuant to recent delisting guidelines.

CORPORATE GOVERNANCE :

A Report on Corporate Governance as stipulated under Clause 49 of the Listing agreement entered with the Stock Exchanges, forms part of the Annual Report.

Your company has been in compliance with all the norms of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

PARTICULARS OF EMPLOYEE(S) :

None of the Employee of the Company was in receipt of total remuneration of Rs 60, 00,000/- during the financial year under review or Rs.5, 00,000/- per month. Hence, the information under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not required to be furnished.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION :

The Company has no activities relating to the conservation of energy or technology absorption.

FOREIGN EXCHANGE EARNING AND OUTGO :

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: - NIL

Since, the company is not engaged in any activities relating to Exports, therefore there are no Foreign Exchange Earnings and Outgo.

Total Foreign Exchange used and earned :-

Foreign Exchange Earning	Rs. Nil
Foreign Exchange Outgoing	Rs. Nil

ACKNOWLEDGMENTS :

Your Directors place on record their appreciation for the excellent support, trust, guidance and cooperation extended & reposed by the by all its stakeholders, employees, customers, Financial Institutions and Banks, statutory & regulatory bodies and local authorities in the Company and look forward to their continued patronage. The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the Company.

Place : Kanpur
Dated : 14th June 2013

For and on Behalf of Board

(Arun Kejriwal)
Managing Director

(Sharad Tandon)
Director

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERENANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF VIKALP SECURITIES LIMITED

I have examined the compliance of the conditions of Corporate Governance by VIKALP SECURITIES LIMITED, for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management; my examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all respects.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR CHAUDHARY PANDIYA & CO.
Chartered Accountants
FRN001903C

PLACE : Kanpur
Dated : 14.06.2013

Ganesh Chaudhary
M.NO.070838
Partner

Corporate Governance Report

The Directors are pleased to present their 11th Corporate Governance report for the financial year 2012-2013, Corporate Governance is the application of the best management practices, compliance of law and adherence to ethical standards to achieve the company's objective of enhancing shareholder value and discharge of social responsibility. The Corporate Governance Structure in the company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the senior management, employees etc.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. Corporate Governance is an integral part of management, execution of business plans, policies and processes as the Company believes that it is a tool to attain and enhance the competitive strengths in business and ensure sustained performance for continuously enhancing the value for every stakeholder. Accordingly, VIKALP SECURITIES LIMITED endeavors to adhere to the highest levels of transparency, accountability and ethics in all its operations fully realizing at the same time social responsibilities. The Company's focus on Corporate Governance is reflected in following:

- Composition, size and functioning of and disclosures to the Board of Directors and various Committees of the Board.
- Board's commitment to discharge duties and responsibilities entrusted upon them by the Statute and to live up to the expectations of stakeholders of the Company and public at large.
- Strong value systems and ethical business conduct.
- Sound internal control.
- Transparency, accountability, social responsibility and ethics in all its operations.
- Putting in place the Code of Conduct for all the members of Board and team of senior management personnel.
- Efforts for prompt redressal of investors' grievances.
- Appropriate delegation of authority responsibility, monitoring of performance and collective decision making involving senior management team in all key decisions.
- Automated seamless integrated work flow to ensure consistency and timely flow of information.

2. Board of Directors

The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the Board of directors comprising of non- executive director.

Where the chairman of the Board is a non-executive director at least one third of the board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.

The Board of Directors of the Company are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

Composition of Board of Directors :

The Board of directors during the period under review is detailed below. The company has an optimum combination of executive and non executive director. The Board consist of Five(5) directors of which four(4) of the directors are Non Executive Directors as well as Independent. During the year there was no change in composition of Board of Director as such. Mr. Arun Kejriwal is the only Executive Director, non independent. Composition of the Board of directors showing the details of their status, directorship and committee membership is as follows:

3. COMPOSITION OF BOARD OF DIRECTORS AND PARTICULARS THEREOF :

SL. NO.	NAME	POSITION	NO. OF BOARD MEETING ATTENDED DURING THE YEAR	WHETHER ATTENDED LAST AGM	SHARE-HOLDING IN THE COMPANY IN NUMBER & PERCENTAGE
1.	Shri Arun Kejriwal	Promoter, Executive/Non Independent Director, Chairman and Managing Director	7	Yes	246112 8.07%
2.	Shri Sharad Tandon	Non Executive Independent	7	Yes	NIL
3.	Shri T. N. Agarwal	Non Executive, Independent	7	Yes	NIL
4.	Mr. Vinod K. Sharma	Non Executive, Independent	7	Yes	NIL
5.	Mr. Ashish Dixit	Non Executive, Independent	7	Yes	NIL

4. OUTSIDE DIRECTORSHIPS AND MEMBERSHIP OF BOARD COMMITTEES :

Sl. No.	Name	Number of Directorships in other Public Companies	No. of Committee position held in other Companies	
			Chairman	Member
1.	Shri Arun Kejriwal	NIL	NIL	NIL
2.	Shri Sharad Tandon	NIL	NIL	NIL
3.	Shri T. N. Agarwal	NIL	NIL	NIL
4.	Mr. Ashish Dixit	NIL	NIL	NIL
5.	Mr. Vinod Kumar Sharma	NIL	NIL	NIL

Notes :

1. Directorship held by Directors in other companies does not include alternate directorships, directorships in foreign companies, Section 25 and private limited companies.
2. In accordance with Clause 49, Chairmanships/Memberships only in Audit Committee & Shareholders Grievance Committee of public limited companies have been considered for committee positions.
3. None of the directors is a member in more than 10 committees and is not a Chairman in more than 5 committees across the Companies in which he is a director.

The Annual general Meeting was held on 28th September, 2012
NO Extra Ordinary General Meeting of the company was held on during the Financial Year.

5. BRIEF PROFILE OF THE DIRECTORS:

Mr. Sharad Tandon (65 year) is the Director of our Company and also holds the position of Chairman of our Audit Committee. He has rich experience in the line of business in which he is engaged. As he belongs to a very creative sphere of the work so his visionary power will enhance the growth and future development of the company it is anticipated that he will lead the company towards the bright future. He has been a director of our company since 2001.

Mr. Arun Kejriwal (55 year) is the Managing Director of our company. He holds a bachelor degree in Commerce. He has wide knowledge and deep insight into security market and practical experience in the business field. Having deep insight into security market, he will be in a better position to guide and advocate on the various relevant issues concerning the company. Besides being the M.D. in our company, he is also a director of Ram coating & specialties private limited and Vrindavan constructions private limited. He has been a director of our company since 1986.

Mr. Tej Narain Agarwal (69 year) is the Director of our Company. He holds a bachelor degree in Technology. Besides being the Director in our company, he is also a director of Networks private limited, Netplast private limited and Macro leasing & Finance private limited. He has been a director of our company since 2004.

Mr. Vinod Kumar Sharma (44 year) is the Director of our Company. He holds a bachelor degree in Commerce. He has immense knowledge about security market, mutual fund and various other stock market areas. His presence is surely fruitful for the company, in attaining heights and will enable the company to reach pinnacles of success. He has been a director of our company since 2011.

Mr. Ashish Dixit (33 year) is the Director of our Company. He holds a bachelor degree in commerce. He has a rich experience in the field of event management and has the capability of working under time bound projects and he is fond of having a deep study in the subject matter. As he belongs to the very imaginative sphere of work so his visionary power will enhance the growth and future development of the company. He has been a director of our company since 2010.

6. BOARD MEETING AND PROCEDURES :

The Board of Director is the apex body constituted by the shareholders for overseeing the overall functioning of the company. Management policies and their effectiveness and ensures that the long term interest of the shareholders are being served.

The internal guidelines of the board and the Board Committee meeting is to facilitate the decision making process at the meetings of the Board /Committees in an informed and efficient manner.

The Board duly met for a total of 7(Seven) times during the year 2012-13, the dates on which the said meetings were held are 30th April, 2012, 15th, June, 2012, 9th July, 2012, 31st July, 2012, 16th August, 2012, 31st October, 2012, 31st January, 2013. During the year all the requirements of clause 49 of the listing Agreement has been complied with. The information as required under Annexure IA to clause 49 has been made available to the Board.

6A. Scheduling and selection of Agenda Items for Board meetings :

(i) Minimum four Board meetings are held in each year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

(ii) The Company is encouraged to plan their functions well in advance, particularly with regards to matter requiring discussion / approval/ decision at the Board / Committee meetings.

(iii) The Board has complete access to any information within the Company and with the employee of the Company. The information placed before the Board includes :-

1) Annual operating plans and budgets and any updates.
2) Capital budgets and any updates.
3) Quarterly results for the company.
4) Minutes of meetings of Audit committee and other Committees of the board as also resolutions passed by Circulation.
5) The information on recruitment and remuneration of senior management personnel just below the Board level.
6) Show cause, demand, prosecution notices and penalty notices which are materially important.
7) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8) Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
9) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10) Details of any joint ventures or collaboration agreement.
11) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12) Significant labour problems and their proposed solutions and any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13) Sale of material nature, investments, subsidiaries, assets, which is not in normal course of business.
14) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
16) Internal audit findings and external audit report.

(iii) The Chairman of the Board and Practicing Company Secretary in consultation with other concerned team members of the senior management and finalizes the agenda papers for the Board meetings.

6B. Board Material distributed in advance :

(i) Agenda and Notes on Agenda are circulated to the Directors, in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.

(ii) In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

6C. Recording Minutes of proceedings at Board and Committee meetings :

The minutes of the proceedings of each of the Board and Committee meeting are duly recorded. Draft minutes are circulated to all the members of the Board / Committee for their comments.

6D. Post Meeting Follow up Mechanism :

Action taken report on the decision/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committee for noting by the Board/Committee.

6E. Compliance :

The Compliance officer is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

6F. Board Meetings :

There were 7(Seven) Board meetings held during the financial year 2012-13 on 30th April, 2012, 15th June, 2012, 9th July, 2012, 31st July, 2012, 16th August, 2012, 31st October, 2012, 31st January, 2013.The gap between any two Board Meetings did not exceed four months.
Leave of absence was granted to the non-attending directors on their request and noted in the attendance register.

7. BOARD COMMITTEES :

In terms of Clause 49 of the Listing Agreement, the Board has constituted three committees i.e. Audit Committee, Shareholders/Investors Grievance Committee and Remuneration. Further, Board has also constituted a Share Transfer Committee to handle the issues and for the compliance of legal formalities involved in the Transfer of Shares.

Board Committees

(A) Audit Committee

The Audit Committee has been constituted by the Board of Directors at its meeting in accordance with Clause 49 of the Listing Agreement with the Stock exchanges.

(i) The Composition as on 31st March 2013 was as under: -

Sl. No.	Names of Members	Designation	Executive/ Non Executive/ Independent	No. of Meetings attended during the year 2012-13
1	Shri Sharad Tandon	Chairman	Non Executive Independent	4
2.	Shri T.N. Agarwal	Member	Non Executive Independent	4
3.	Shri Ashish Dixit	Member	Non Executive Independent	4

The Chairman of the committee was present at the last Annual General Meeting held on 28th September, 2012.

The primary objective of Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The audit committee met Four times during the year. The dates of the Audit Committee Meetings are 15th June, 2012, 31st July, 2012, 31st October, 2012, 31st January, 2013. The terms of the reference of the Audit Committee includes the matter specified in clause 49 of the listing agreement (as amended) with the stock exchanges. The Audit Committee reviewed the reports of the internal auditors, the report of the statutory auditors arising out of the quarterly, half yearly and annual review of the accounts, considered significant financial issues affecting the company and held discussion with the internal and statutory auditors and company management during the year.

(ii) Terms of Reference

The Audit Committee while exercising its functions has powers including but not limited to following:

- To investigate any activity brought to the notice of the Committee.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee performs such additional function as would be assigned to it from time to time by the Board and in particular the following-

- Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, reappointment and, if required the replacement or removal of the statutory auditor and fixation of the audit fees.
- Approval of the payment to the statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual financial statement before submission to the Board for approval, with particular reference to:
  - Matters required being included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of the clause (2AA) of section 217 of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of related party transactions;
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting scope and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payments of dividend) and creditors.
- Carrying out such other function as may be entrusted by the Board from time to time.

No whistle blower mechanism as such exists in the company. However, each one has free accessibility to auditors. The information as prescribed under Clause 49(II)(e) of the listing agreement has been reviewed from time to time.

(B) Shareholders'/ Investors' Grievances Committee

In compliance with Clause 49 of the Listing Agreement, the Shareholders/Investors Grievance Committee has been constituted by the Board for a speedy disposal of grievances / complaints relating to shareholders/investors.

Composition as on 31/03/2013 was as under: -

Sl. No.	Names of Members	Executive/ Non Executive/ Independent	No. of Meetings attended during the year 2012-13
1	Shri Sharad Tandon	Non Executive Independent	4
2	Shri Arun Kejriwal	Executive	4

Compliance officer :

Mr. Sharad Tandon is the Compliance Officer to expedite the process of share transfer and take prompt action on investor's complaints. The company has not received any investor complaint during the year. There was no case of share transfer.

The company has appointed Skyline Financial Services Private Limited to act as the Registry and transfer agent for electronic share registry work.