



# **ALKA INDIA LIMITED**

**ANNUAL REPORT  
2011-2012**

# ALKA INDIA LIMITED

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## ANNUAL REPORT 2011-2012

### BOARD OF DIRECTORS

Mr. Ramakant Gokulchand	Chairman & Managing Director
Mr. Satish R. Panchariya	Executive Director
Mr. Ashok R. Panchariya	Executive Director
Mr. Madanlal B. Purohit	Independent Director
Mr. Anant K. Sharma	Independent Director
Mr. Neel A. Doctor	Independent Director

### AUDITORS

#### **Agrawal Jain and Gupta**

*Chartered Accountants*

Shop No.2 , Ashok Vihar,Jaipur Road , Chomu  
Jaipur -303702.

### REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India ) Pvt Ltd  
Unit No.1 , Luthra Indl.Premises  
Andheri Kurla Road , Safed Pool,  
Andheri (East) Mumbai- 400 072.

022 22641376/022 22702485

[www.sharexindia.com/info@sharexindia.com](http://www.sharexindia.com/info@sharexindia.com)

### REGISTERED OFFICE

E-211, Crystal Plaza, Opp. Fame adlabs,  
New Link Road, Andheri (W),  
Mumbai-400053,  
Maharashtra.  
022 26736334  
[alkaindia@gmail.com](mailto:alkaindia@gmail.com)

**NOTICE**

**NOTICE** is hereby given that Nineteen Annual General Meeting of the members of Alka India Limited will be held on Friday, 1<sup>st</sup> March, 2013 at 9.00 a.m. at National Center for Quality Management, 503, Kailas Industrial Complex, Vikhroli Link Road, Vikhroli (West), Mumbai - 400079, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 30<sup>th</sup> September, 2012 and the Report of Directors and Auditors thereon ;
2. To appoint a Director in place of Mr. Neel Doctor, who retires by rotation and being eligible offers himself for re-appointment ;
3. To re-appoint Auditors M/s. Agarwal Jain & Gupta, Chartered Accountants, to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> February, 2013 to 01<sup>st</sup> March, 2013 (both days inclusive).
3. Members are requested to notify changes, if any, in their address to the Company's Registered Office. In case their shares are held in dematerialized form, the information should be passed on to their respective Depository Participants without any delay.
4. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID nos. for easier identification.

5. Members seeking further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Registered Office at least 10 days before the date of the Meeting so that the information can be made available at the meeting.
6. The Ministry of Corporate Affairs (vide circulars nos 17/2011 and 18/2011 dated April, 2011 and April 29,2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/ updating their e-mail addresses for receiving electronic communications.

**Registration Office :**

E-211, Crystal Plaza,  
Opp. Fame Adlabs,  
New Link Road,  
Andheri (W),  
Mumbai - 400 053.

By Order of the Board of Director  
For **ALKA INDIA LIMITED**

Sd/-

**Ramakant Gokulchand**  
Chairman & Managing Director

**Place :** Mumbai

**Date :** 06th February, 2013

**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the Nineteen Annual Report together with the Audited Statement of Accounts for the year ended 30<sup>th</sup> September, 2012.

**FINANCIAL RESULTS:**

The working results of the Company for the year ended on 30<sup>th</sup> September, 2012 are as follows:

**Rs. In Lakhs**

<b>Particulars</b>	<b>Year Ended On 30.09.2012 Rs.</b>	<b>Year Ended On 30.09.2011 Rs.</b>
Net —Profit/Loss	(26,756,862)	(30,955,584)
Less : Depreciation	1,883,661	1,234,226
Profit/(Loss) before Taxation (PBT)	(28,640,523)	(32,189,810)
Less : Provision for Income Tax	NIL	NIL
Less : Deferred Tax Adjustments	250,281	NIL
Less: Provision for Fringe Benefit Tax	NIL	NIL
Profit/ (Loss) After Tax (PAT)	(28,890,804)	(32,189,810)
Add : Profit/(Loss) brought forward	(22,50,90,584)	(19,61,99,780)
Add: Transfer from General Reserve	NIL	NIL
Add: Prior Year Adjustments.	NIL	(138,860)
Surplus/(Deficit)	(22,50,90,584)	(19,61,99,780)

**APPROPRIATIONS:**

	<b>Year Ended On 30.09.2012 Rs.</b>	<b>Year Ended On 30.09.2011 Rs.</b>
Profit/(Loss) carried to Balance Sheet	(22,50,90,584)	(19,61,99,780)
Total	(22,50,90,584)	(19,61,99,780)

**DIVIDEND:**

Your directors do not recommend dividend for the year 2011-2012.

**OPERATIONS:**

Your Directors are confident in recording a sustainable growth in the operation during the current year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:****A. CONSUMPTION OF ENERGY & TECHNOLOGY ABSORPTION:**

The details as required under section 217 (1)(e) of the Companies Act,1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors ) Rules,1988 in respect of Conservation of Energy, Technology Absorption are not applicable.

**B. FOREIGN EXCHANGE EARNING & OUTGO:**

	<b>Current Year</b>	<b>Previous Year</b>
a) Earning	Nil	Nil
b) Outgo	Nil	Nil

**DIRECTORATE:**

During the year under review Mr Neel Doctor retire by rotation as Director of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re -appointment.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following:

1. In the preparation of the annual accounts, the Accounting Standards to the extent applicable had been followed along with proper explanations relating to material departures.
2. Adequate accounting policies had been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared for the financial year ended 30<sup>th</sup> September, 2012 on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

During the year, there were no employees whose information is required to be given as per Section 217(2A) read with the Companies (Particular of Employees) Rules, 1975 as amended.

**REPORT ON CORPORATE GOVERNANCE:**

A detailed report on Corporate Governance is annexed to this Annual Report. The Company has complied with the conditions of corporate governance as stipulated in clause 49 of the listing agreement. The certificate obtained from the auditors of the Company regarding compliance of conditions is annexed to this report.

**FIXED DEPOSITS:**

During the year under review the Company has neither invited nor accepted Public Deposits.

**AUDITORS:**

The Auditors M/s. Agrawal Jain and Gupta, Chartered Accountants, Jaipur are Re appointed as the statutory auditors of the Company at the forthcoming Annual General Meeting.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under sections 224(1B) of the Companies Act, 1956.

**AUDITOR'S REMARKS:**

**The provision for leave encashment have not been made in as much as the liability to pay such leave encashment would be taken care of when it is accrued.**

**LISTING:**

The Shares of the Company are listed on Stock Exchanges at Mumbai. Listing fees has been paid to Bombay Stock Exchange Limited.

**APPRECIATION:**

The Board places on record the appreciation of the sincere and devoted services rendered by all the employees and the continued support and confidence of the Shareholders. The Board also expresses their sincere thanks to the Banks and all other well wishers for their timely support.

**Registration Office :**

E-211, Crystal Plaza,  
Opp. Fame Adlabs,  
New Link Road,  
Andheri (W),  
Mumbai - 400 053.

By Order of the Board of Director  
For **ALKA INDIA LIMITED**

Sd/-

**Ramakant Gokulchand**  
Chairman & Managing Director

**Place :** Mumbai

**Date :** 06th February, 2013

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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion & Analysis Report pursuant to Clause 49 of Listing Agreement.

### **Industry Structure and Development:**

The Company's products can be classified under the Textile Products. The Company is taking all necessary steps to maximize the profitability of the Company. As for the previous year, Company has entered in bullion segment, but could do only a little during the year. Looking to the huge scope available in bullion section both domestically and in International Market, Company is planning to enter into trading activities in bullion & Textile market, looking that there is a huge scope available for the same as per the current market conditions.

### **Opportunities and Threats:**

Our product is intermediary product for user industries and the development will be based on dependant other industries.

The Company is making continuous efforts to trading different grades of products to meet the requirement of its customers.

The Company is making efforts for exploring other avenues to increase its sales of different varieties of Garments.

Any changes in international price of its products and fluctuations in foreign exchange will have effect on the profitability of the Company.

### **Segment or Product wise performance:**

The Company operates in single business segment i.e. Textile comprising cotton, yarn, fabrics etc.

### **Outlook:**

The outlook for the Company appears bright on a long term basis. The Company is hopeful that its performance in the years to come would be encouraging, as the Company is planning to start the trading in bullion & textile garments in national as well as international market.

### **Risk Management:**

The Company is exposed to a number of risks. Some key risks have been mentioned below:

1. The Raw material prices are market driven being an agricultural product and any natural calamity such as drought/ flood will affect the profitability of the Company.
2. Any change in the fashion will also have bearing on the profitability of the Company.



**Internal Control Systems and their adequacy:**

The company has adequate systems of internal control covering all financial and operational activities. The internal control are designed to provide reasonable assurance with regard to maintaining proper accounting controls, protecting assets from unauthorized losses and ensuring reliability of financial and operational information and proper compliance with regulations. In the opinion of the Board, an internal control system adequate to the size of the Company is in place.

**Financial Performance:**

For the year 2011-2012 Net Profit (Loss) after tax is Rs. 286.40 Lacs against Loss of Rs. 321.89 Lacs during the previous year.

**Human Resource / Industrial Relations:**

The Company is regularly conducting seminars and workshops to improve the safety. The Company is deputing employees for attending seminars, for updating their skills and knowledge.

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## CORPORATE GOVERNANCE REPORT

In the line with the requirement for providing a 'Report on Corporate Governance' as per revised clause 49 of the Listing Agreement with the Stock Exchange given herein below is a report on the Company's Corporate Governance norms.

**I. Company's Philosophy on Code of Governance:**

Corporate Governance is all about commitment to values and ethical business conduct. The Company believes in setting the highest standards in good and ethical corporate governance practices. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis. The Company is managed by the Managing Director under the supervision and control of the Board of Directors. Corporate Governance in the Company is a systematic process by which Company is directed and controlled to enhance its wealth generating capacity.

**II. Board of Directors:**

Composition and category of Directors and their attendance at Board Meetings and last Annual General Meeting is as follows:

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The Board of Directors met Eight- times during the financial year - 2011-2012 on following dates:

05/10/2011, 18/10/2011, 12/11/2011, 13/02/2012, 07/05/2012, 21/05/2012, 21/06/2012, 07/08/2012.

Name of Directors	Category of directorship	No. of Board Meeting attended		Attendance at last AGM
		Held	attended	
Mr.Ramakant Gokulchand(Appointed wef. 05/10/2011)	Chairman & Managing Director	8	7	Yes
Mr. Satish R. Panchariya	Promoter & – Executive Director	8	6	Yes
Mr. Madanlal Purohit	Non Executive & Independent Director	8	6	Yes
Mr. Ashok Panchariya	Promoter & Executive Director	8	4	Yes
Mr. Anant Sharma	Non Executive & Independent Director	8	4	Yes
Mr. Neel Doctor	Non Executive & Independent Director	8	7	Yes

#### Board's Procedure:

It has always been the company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, acquisition of asset, mortgages, guarantees, donations etc. are regularly placed before the Board. This is in addition to information with regard to actual operations and minutes of all the Committee Meetings.

The Minimum information as required as per code of Corporate governance is being made available to the Board as and when applicable.

### III. COMMITTEES OF THE BOARD :

#### a) Audit Committee :

The Audit Committee has been constituted as per section 292 A of the Companies Act 1956 and guidelines set out in the Listing Agreement with the Stock Exchanges. The Audit Committee of the Company, inter-alia, provides an assurance to the Board on the existence and adequacy of effective internal control systems that ensures:

- Efficiency and effectiveness of operations
- Safeguarding of Assets and adequacy of provisions for all Liabilities
- Reliability of all financial and other management information and adequacy of disclosures
- Compliance with all relevant statutes.

The committee has powers as envisaged under Clause 49 (ii) of the Listing Agreement and as specified by the Board of Directors of the Company and includes the following terms of references:

- Powers of Audit Committee:
  - i. To investigate any activity within its terms of reference.
  - ii. To seek any information from any employees
  - iii. To obtain outside professional legal advice
  - iv. To secure attendance of outsiders with relevant expertise, if considered necessary

- Review of information by Audit committee :

The audit committee mandatorily reviews the following information:-

- i) Management discussion and analysis of financial conditions and result of operations.
- II. Statement of significant related party transaction (as defined above), as submitted by management.**
- i) Management letter / letters of internal control weakness issued by the statutory Auditors.
  - ii) Internal Audit Report relating control weakness, and
    - b) Any other matter with the specified permission on the Board.

**Composition and attendance:**

The audit Committee comprises of three Directors namely, Mr. Satish Panchariya, Mr. Madanlal Purohit and Mr. Anant Sharma

The Composition of the Audit Committee is as follow:

Name of member	Category	Remark
Mr. Madanlal Purohit	Non-executive & Independent Director	Chairman of Audit committee
Mr. Satish Panchariya	Promoter & Executive Director	
Mr. Anant Sharma	Non-executive & Independent Director	

Mr. Madanlal Purohit is the Chairman of Audit Committee

**Meetings and attendance:**

During the financial year ended 30<sup>th</sup> September, 2012 four audit committee meeting were held on 12<sup>th</sup> November,2011, 13<sup>th</sup> February,2012, 7<sup>th</sup> May,2012, 7<sup>th</sup> August,2012 as follows:

Name of member	No. of Meeting	
	Held	Attended
Mr. Madanlal Purohit	4	4
Mr. Satish Panchariya	4	3
Mr. Anant Sharma	4	4

**B. Remuneration Committee:****a) Composition:**

The Company has a remuneration committee. The remuneration paid to Executive Director is approved by the committee and within the limits set by the shareholder at the General Meeting. The Non Executive directors are not paid any remuneration except sitting fees.

The Remuneration Committee while deciding the remuneration package of the senior management members takes in to consideration the following points.

1. Employment Scenario
2. Remuneration package of the industry
3. Remuneration package of material talent of other industry
4. Performance of company and individual performance.

Presently the company does not have any stock option scheme

The Committee comprises of three directors Mr. Madanlal Purohit, Mr. Anant Sharma and Mr. Neel Ashok Doctor. -

Mr. Anant Sharma is the Chairman of the Remuneration Committee.

For the financial year ended 30/09/2012, Mr. Satish Panchariya, Executive Director & Mr. Ramakant Gokulchand, Managing Director of the Company have been paid remuneration, which is as under:

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Satish Panchariya Executive Director	6,00,000	Nil	6,00,000
Mr. Ramakant Gokulchand	1,80,000	Nil	1,80,000

**C. Shareholders/ Investors Grievance & share Transfer Committee:**

The Company has a Shareholders/ Investors Grievance & share Transfer Committee to oversee grievance and redressal mechanism and recommended measures to improve the level of investor's services and to look into and decide matters pertaining to share transfer, duplicate share certificates and related matters. The committee comprises two non-executive directors. The present composition of this committee is as under:

Sr. No.	Name of Member	Status	Category	Remarks
1	Mr. Madanlal Purohit	Chairman	Non-Executive and Independent	
2	Mr. Neel Ashok Doctor	Member	Non-Executive and Independent	
3	Mr. Anant Sharma	Member	Non-Executive and Independent	

The functioning and terms of references of the Committee are as prescribed under the Listing Agreement with the Stock Exchange with particular reference to transfer, dematerialization complaints of shareholder etc.

The quorum for the functioning of the committee is both the directors present. The company attends to the investor's grievances/ correspondences expeditiously and usually a reply is sent within 10 days of receipt of letter, except in the cases that are constrained by dispute or legal impediments.

Number of Shareholders complaints	02
Number of Complaints solved	02
Number of pending complaints	Nil

**General Body Meetings:**

Details of last three Annual General Meetings:

Location, date and time of the Annual General Meeting held in the last 3 years is as under:

Financial Year	Date	Time	Location
2008-09	31-03-2010	9.30 A.M.	Kailash Parbat, K.P Restaurants, 7A/8A, 'A'Wing, Crystal Plaza, New Link Road, Andheri (West), Mumbai 400053
2009-10	30-03-2011	9.30 A.M.	Kailash Parbat, K.P Restaurants, 7A/8A, 'A'Wing, Crystal Plaza, New Link Road, Andheri (West), Mumbai 400053
2010-11	14/03/2012	9.30 A.M	Kailash Parbat, K.P Restaurants, 7A/8A, 'A'Wing, Crystal Plaza, New Link Road, Andheri (West), Mumbai 400053.

Special Resolution passed in previous three Annual General Meetings:

Annual General Meeting Held on	Special Resolution Passed for
31/03/2010	NIL
30/03/2011	NIL
14/03/2012 at 09.30AM	1.Appotment of Mr. Ramakant Gokulchand as the Managing Director of the Company

Postal Ballot Resolution: During the year 2011-2012, No resolution has passed through postal Ballot

**Code of Conduct:**

The company has adopted a code of conduct for all Board Members and Employees of the company. The code of conduct has already been posted on the website of the company for general viewing. All Board Members and Senior Management Personnel have affirmed compliance with the code on annual basis The Annual Report contains a declaration to this effect signed by the Managing Director.

**Disclosures:**

During the financial year ended 30<sup>th</sup> September, 2012, there were no materially significant related party transitions that may have potential conflict with the interest of Company at large with its promoters, directors subsidiaries or relatives.

The Company has complied with requirements of listing agreement/regulations/guidelines/rules of the Stock Exchanges/SEBI/other statutory authorities.

SEBI has passed an ad interim ex-parte order pending investigation and passing further orders, and directed under sections 11(1), 11(4) and 11 b of the SEBI act, 1992 in the matter of market manipulation using GDR issues that the Company shall not deal in securities or instrument with indian securities as underlying, in any manner whatsoever, until further orders. However company has challenged the order and the file their objections against the same with SEBI.

**Means of Communication:**

- The Board of Directors of the company approves and takes on record quarterly, yearly financial results as per the requirement of the Listing Agreement the Stock Exchanges. The result are also mail to the Stock Exchange where the company is listed ;
- The approved financial results are forthwith sent to the Stock Exchange and published in the Nav shakti , Mumbai Lakshdeep Asian Age and The Frees Press News paper within forty-eight hours of approved thereof ;
- No formal presentation were made to the institutional investors and analysts during the year under review ;
- Management Discussion and Analysis (MDA) forms of the part of the Annual Report, which is posted to the shareholders of the Company.

**General Shareholder Information:****(a) Registered office:**

E-211, Crystal Plaza, Opp. Fame Adlabs  
New Link Road, Andheri (W)  
Mumbai – 400053.

**(b) Annual General Meeting :**

The Nineteen Annual General Meeting of the Company, will be held on Friday 1<sup>st</sup> March , 2013 at 9.00 a.m. at National Center for Quality Management, 503, Kailas Industrial Complex, Vikhroli Link Road, Vikholi (West), Mumbai - 400079,

The Company follows October-September financial year. Financial year is from 01-10-2011 to 30-09-2012

The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> February, 2013 to 1<sup>st</sup> March, 2013 (both days inclusive) for the purpose of the Nineteen Annual General Meeting.

**(c) Listing of Stock Exchange:****Equity Share:**

- 1) **Bombay stock exchange Ltd.**  
Phiroze Jeejeebhoy Tower  
Dalal Street, Mumbai – 400 001

**(d) Stock Code:**

Mumbai - 530889

**(e) Market Price Data:**

Stock Market Data during the financial year 2011-2012

The monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange Limited is as under;

Year	Month	High (Rupees)	Low (Rupees)
<b>2011</b>	October	0.23	0.20
	November	0.23	0.18
	December	0.22	0.18
<b>2012</b>	January	0.24	0.18
	February	0.24	0.20
	March	0.22	0.19
	April	0.21	0.19
	May	0.20	0.17
	June	0.19	0.17
	July	0.19	0.15
	August	0.18	0.14
	September	0.17	0.13

**(f) Registrar and Share Transfer Agent (for Physical as well as for Demat) :**

<b>Name</b>	Sharex Dynamic (India) Pvt. Ltd.
<b>Address</b>	Unit 1, Luthra Indl. Premises, 1 <sup>st</sup> Floor, 44-E, M. Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (East) Mumbai- 400072
<b>Tel. No.</b>	<b>022 22641376 ,022 22702485</b>
<b>Fax No.</b>	<b>022 22641349</b>
<b>Email ID</b>	<b>info@sharexindia.com</b>
<b>Website</b>	<b>www.sharexindia.com</b>

**(g) Share Transfer System:**

Share Transfer in physical form are registered and returned to the respective transferees within a period ranging from two to three weeks, provided the documents lodged with the Registrar / Company are clear in all respect.

**(h) Distribution of Shareholding**

The Distribution of Shareholdings of the Company as on 30<sup>th</sup> September, 2012 is as follows:

Number of Equity Shares held	Number of Shareholders	% to total Shareholders	No. of Shares held	% to total shareholding
Upto 5000	29294	78.87	55684206.00	11.14
5001-10000	4119	11.09	35405643.00	7.08
10001-20000	1878	05.06	29273784.00	5.85
20001-30000	684	01.84	17641881.00	3.53
30001-40000	274	0.74	9751179.00	1.95
40001-50000	263	0.71	12668870.00	2.53
50001-100000	369	0.99	28049203.00	5.61
100001 and above	261	0.70	311525234.00	62.31
<b>Total</b>	<b>37142</b>	<b>100.00</b>	<b>500000000.00</b>	<b>100.00</b>



**(i) Dematerialisation of Shares and Liquidity:**

The trading in the Company's equity shares is compulsorily in dematerialized form. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has set up requisite facilities for dematerialization of its equity shares, in accordance with the provisions of the Depositories Act, 1996, with National Securities Depository Limited and Central Depository Services (India) Limited. Thus the investors can exercise dematerialization and transfer actions through a recognized Depository Participant who is connected to NSDL or CDSL. The ISIN no for Equity Shares of the Company is INE061B01020

**(j) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs or Convertible instruments. There are no convertible warrants outstanding as on date.

**(k) Secretarial Audit:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchange.

**(l) Go-Green Initiative:**

The Ministry of Corporate Affairs, New Delhi ("MCA") has undertaken a "Green Initiative" in field of Corporate Governance by permitting compliances (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011. Further the Ministry has also clarified that the service of documents by a Company can be made through electronic mode instead of sending the physical copy of the document(s). In pursuance of the same, we request you to kindly register your email address with our Registrar & Transfer Agents -Sharex Dynamic (India) Private Limited. This can be updated with the Depository Participant (DP) specifying Client Id and DP Id of the shareholder, for receiving soft copies of the Annual Report instead of printed copy.

**(m) Investor Correspondence:  
Address for Correspondence:**

Name	<b>ALKA INDIA LIMITED</b>
Address	E-211, Crystal Plaza, Opp. Fame Adlabs, New Link Road, Andheri (W) Mumbai-400 053
Tel No	022 -26736334
Email ID	alkaindia@gmail.com

## Declaration

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), it is hereby confirmed that all the Board Members and Senior Management Personnel of the company have affirmed the compliance with the Code of Conduct for the year ended 30<sup>th</sup> September, 2012.

**FOR ALKA INDIA LTD.**

**Place : Mumbai**  
**Date : 6th February, 2013**

**Sd/-**  
**Ramakant Gokulchand**  
Chairman & Managing Director

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## CERTIFICATE

To,  
The Members of Alka India Limited

We have examined the compliance of conditions of corporate governance by Alka India Ltd, for the year ended 30th September, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We 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.

**Ms. Palak Desai**

**Place : Mumbai**  
**Date : 6th February, 2013**

**Sd/-**  
Practising Company Secretary  
**CP.No -7426**

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**CEO Certificate Under Clause 49(V) of the Listing Agreement (Corporate Governance Guidelines) to be placed before the Board along with the Audited Annual Accounts:**

- a. I certify to the Board that I have reviewed Financial Statement and Cash Flow Statement for the Year ended 30<sup>th</sup> September, 2012 and that to the best of our knowledge and belief;
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's state of affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are of fraudulent, illegal nature or has violated the Company's Rules;
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company;
- d. I have indicated to the auditors and the audit committee:
- i. Significant changes in internal control during the year ;
- ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

**FOR ALKA INDIA LTD.**

Sd/-

**Place : Mumbai**  
**Date : 6th February, 2013**

**Ramakant Gokulchand**  
Chairman & Managing Director

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## **AUDITORS' REPORT**

**To the members of ALKA INDIA LIMITED**

1. We have audited the attached balance sheet of **Alka India Limited** ('the Company') as at September 30, 2012, the profit and loss account and also the cash flow statement of the Company for the year ended on that date (all together referred to as the 'financial statements'). 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.

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3. As required by the Companies (Auditor's Report) Order, 2003 ('the said Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('The Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. 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;
  - c. the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the balance sheet, the profit and loss account and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of the written representations received from the directors, and taken on record by the board of directors, we report that none of the directors are disqualified as on March 31, 2012 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. in our opinion and to the best of our information and according to the explanation given to us, the said financial statements, read with the notes thereon 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;
    - i. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
    - ii. in the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
    - iii. in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**For Agrawal Jain & Gupta.**  
Chartered Accountants  
FRN : 013538C

Sd/-

**CA Narayan Swami**  
Partner  
M. No – 409759

Mumbai,  
06<sup>th</sup> Febuary.2013

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## ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 4 of our report to the members of Alka India Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) The Company has not disposed off a substantial part of fixed assets during the year, and accordingly, going concern is not affected.
- (ii) The Company has a policy of treating motion pictures under production as inventory till the date of release/agreement whichever is earlier. Consequently, there is no tangible inventory carried by the Company. Accordingly, the provisions of Paragraph 4(ii) of the said Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly, Paragraph 4(iii) of the said Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company's internal control procedures for the purchase of inventory and for the sale of goods and services needs to be further strengthened so as to be commensurate with the size of the Company and nature of its business. In respect of purchase of fixed assets, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable. Accordingly, the provisions of Paragraph 4(vi) of the said Order are not applicable to the Company.
- (vii) The Company has an internal audit system, commensurate with the size of the Company and the nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the activities of the Company. Accordingly the provisions of Paragraph 4(viii) of the said Order are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, except for delays in depositing tax deducted at source, the Company is generally regular in depositing undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income-tax, service tax, excise duty, custom duty, cess and any other statutory dues as applicable, with the appropriate authorities during the year. At the end of the financial year, and the company had filed appeal against the said order. There are no outstanding Statutory dues

except above as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income-tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) After considering the effect of quantified qualification, in our opinion and according to the information and explanations given to us, the accumulated losses of the Company at the end of the financial year does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the current financial year and also in the immediately preceding financial year.
- (xi) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to financial institutions :
- (xii) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Paragraph 4(xii) of the said Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of Paragraph 4(xiii) of the said Order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Paragraph 4(xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee to any Company..
- (xvi) According to the information and explanations given to us that the company had not raised any term loan.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term purposes.
- (xviii) The Company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of Paragraph 4(xviii) of the said Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the provisions of Paragraph 4(xix) of the said Order are not applicable to the Company.
- (xx) During the year the Company has partly restructured the Bank loan by issuing Fully Convertible Warrants as stated in Notes.
- (xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

**For Agrawal Jain & Gupta**

Chartered Accountants

FRN: 013538C

Sd/-

**CA Narayan Swami**

Partner

M. No - 409759

Mumbai, 06<sup>th</sup> Febuary.2013

## Standalone Balance Sheet as at 30th Sept. 2012

(Amount in Rs.)

Particulars	Note No.	30 September 2012	30 September 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3.1	500,000,000	500,000,000
(b) Transferor company's Shareholders Fund	3.2	134,397,500	134,397,500
(c) Reserves and Surplus	3.3	(221,569,386)	(192,678,582)
<b>(2) Current Liabilities</b>			
(a) Short-Term Borrowings	3.4	61,406	772,434
(b) Trade Payables	3.5	2,079,306	5,502,433
(c) Other Current Liabilities	3.6	2,422,720	8,138,365
(d) Short-Term Provisions	3.7	27,902,750	27,862,734
<b>Total Equity &amp; Liabilities</b>		<b>445,294,296</b>	<b>483,994,884</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	3.8	17,597,989	18,425,231
(b) Non-current investments	3.9	316,565,963	347,093,328
(c) Deferred tax assets (net)	3.10	-	250,281
(d) Long term loans and advances	3.11	57,758,645	54,458,645
<b>(2) Current Assets</b>			
(a) Trade receivables	3.12	30,524,178	34,738,384
(b) Cash and cash equivalents	3.13	358,242	12,279,351
(c) Short-term loans and advances	3.14	22,489,279	16,522,337
(d) Other current assets	3.15	-	227,327
<b>Total Assets</b>		<b>445,294,297</b>	<b>483,994,884</b>
<b>Summary of significant accounting policies</b>	2.1	0	
<i>The accompanying notes are an integral part of the financial statements.</i>			
<i>This is the Balance Sheet referred to in our Report of even date.</i>			
<b>FOR AGRAWAL JAIN &amp; GUPTA</b>		<b>FOR ALKA INDIA LIMITED</b>	
CHARTERED ACCOUNTANTS			
Sd/-		Sd/-	Sd/-
<b>(CA Narayan Swami)</b>		(DIRECTOR)	(DIRECTOR)
Partner			
Membership No. : 409759			
Firm Reg. No.: 013538C			
<b>Mumbai</b>			
<b>Date: 06-02-2013</b>			

## Standalone Profit and Loss for the year ended 30th Sept. 2012

(Amount in Rs.)

Particulars	Note No.	30 September 2012	30 September 2011
<b>Income</b>			
Revenue from Operations	3.16	9,259,450	5,348,000
Other Income	3.17	1,035,085	2,642,176
<b>Total revenue (I)</b>		<b>10,294,535.00</b>	<b>7,990,176</b>
<b>Expenses:</b>			
Cost of materials consumed	3.18	8,061,000	4,884,700
Loss on sale of Investments	3.19	23,740,424	27,002,110
Employee Benefit Expense	3.20	1,177,800	1,006,000
Financial Costs	3.21	45,464	96,157
Depreciation and Amortization Expense	3.22	2,110,987	1,495,543
Other Administrative Expenses	3.23	3,799,383	5,695,476
<b>Total Expenses (II)</b>		<b>38,935,057.52</b>	<b>40,179,986</b>
Profit before exceptional and extraordinary items and tax (I - II)		<b>(28,640,523)</b>	<b>(32,189,810)</b>
<b>(Add)/less</b>			
<b>Tax expense:</b>			
(1) Deferred tax expense		250,281.00	-
(2) Wealth Tax		-	-
Profit after tax		<b>(28,890,804)</b>	<b>(32,189,810)</b>
Prior Period Adjustments		-	<b>(138,360)</b>
Purposed Dividend		-	<b>37,500,000</b>
Tax on Purposed Dividend		-	<b>4,804,687</b>
		<b>(28,890,804)</b>	<b>9,976,517</b>
Balance brought forward from last year		<b>(196,199,780)</b>	<b>(206,176,297)</b>
Balance carried to balance sheet		<b>(225,090,584)</b>	<b>(196,199,780)</b>
Earning per equity share: (refer to Note no 3.26)			
(1) Basic		(0.058)	(0.064)
(2) Diluted		(0.058)	(0.064)

## Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

FOR AGRAWAL JAIN & GUPTA  
CHARTERED ACCOUNTANTS

FOR ALKA INDIA LIMITED

Sd/-

Sd/-

Sd/-

(CA Narayan Swami)

(DIRECTOR)

(DIRECTOR)

Partner

Membership No. : 409759

Firm Reg. No.: 013538C

Mumbai

Date: 06-02-2013



## Notes to financial statements for the year ended 30 Sept. 2012

## 3.1 Share Capital

Particulars	30 September 2012	30 September 2011
<b>AUTHORIZED CAPITAL</b>		
75,00,00,000 Equity Shares of Rs. 1/- each	750,000,000	750,000,000
25,00,00,000 Unclassified Share Rs 1/- each	250,000,000	250,000,000
	1,000,000,000	1,000,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARES</b>		
500000000 Equity Share of Rs.1/- each Fully Paid Up	500,000,000	500,000,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>500,000,000</b>	<b>500,000,000</b>

## (a) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of '1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company,

after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

## 3.2 Transferor company's Shareholders Fund

Particulars	30 September 2012	30 September 2011
Transferor company's Shareholders Fund (134,397,500 Equity shares of Rs. 1 each in exchange of 53,75,900 Shares of Janice Textile limited)	134,397,500	134,397,500
	<b>134,397,500</b>	<b>134,397,500</b>

## 3.3 Reserve &amp; Surplus

Particulars	30 September 2012	30 September 2011
Capital Reserve	3,521,198	3,521,198
Balance as per the last year's financial statements	-	-
Add: premium on Issue of equity shares	-	-
<b>Closing Balance</b>	<b>3,521,198</b>	<b>3,521,198</b>
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last year's financial statements	(196,199,780)	(206,176,297)
Add: Profit for the period	(28,890,804)	9,976,517
Net deficit in the statement of profit and loss	(225,090,584)	(196,199,780)
	(221,569,386)	(192,678,582)

**3.4 Short Term Borrowings**

Particulars	30 September 2012	30 September 2011
Secured Loan from ICICI bank- vehicle Loan	61,406	772,434
	<b>61,406</b>	<b>772,434</b>

**3.4 Trade Payable**

Particulars	30 September 2012	30 September 2011
Creditors -others	-	4,639,961
Creditors for Expenses	2,079,306	862,472
	<b>2,079,306</b>	<b>5,502,433</b>

**3.6 Other Current Liabilities**

Particulars	30 September 2012	30 September 2011
TDS payable	22,720	14,449
Advance From Clients	2,400,000	8,123,916
	<b>2,422,720</b>	<b>8,138,365</b>

**3.7 Short Term Provisions**

Particulars	30 September 2012	30 September 2011
Provision for Expenses	107,189	67,173
Provision for Taxation	27,795,561	27,795,561
	<b>27,902,750</b>	<b>27,862,734</b>

## Notes Annexed To And Forming Part of Accounts As At Sept. 30, 2012

## Note 3.8 (a): Tangible Fixed Assets

Particulars	SLM Dep. Rate	Gross Block			Depreciation / amortization			Net Block		
		As at Oct. 1, 2011	As at Sept. 30, 2012		As at Oct. 1, 2011	Year Ended	Deletion/ Adjustments	As at Sept. 30, 2012	As at Sept. 30, 2011	
			Additions	Deductions						
Furniture And Fixtures	6.33%	2,108,678	1,056,419	-	1,813,068	133,662	-	1,946,730	1,218,367	295,610
Residential House	1.63%	4,201,182	-	-	203,643	68,479	-	272,122	3,929,060	3,997,539
Vehicles	9.50%	17,067,063	-	-	3,151,744	1,621,371	-	4,773,115	12,293,948	13,915,319
Office Equipments	6.33%	1,756,771	-	-	1,756,771	-	-	1,756,771	-	-
Computer	16.21%	371,056	-	-	154,293	60,148	-	214,441	156,615	216,763
<b>Total</b>		<b>25,504,750</b>	<b>1,056,419</b>	<b>-</b>	<b>7,079,519</b>	<b>1,883,661</b>	<b>-</b>	<b>8,963,181</b>	<b>17,597,989</b>	<b>18,425,231</b>
Previous year		17,377,093	8,127,657	-	5,845,294	1,234,226	-	7,079,519	18,425,231	
		<b>11,531,799</b>								

**3.9 Non Current Investment**

Particulars	30 September 2012	30 September 2011
Unquoted shares as per -Annexure A	194,575,000	197,575,000
<i>Investment in equity instruments (quoted)</i>		
Quoted shares as per -Annexure B	121,990,963	149,518,328
	<b>316,565,963</b>	<b>347,093,328</b>

\* Aggregate Book Value of Unquoted Investments : Rs. 19,45,75,000/- previous Year Rs. 19,75,75,000/- )

\* Aggregate Book Value of quoted Investments : Rs. 12,19,90,963/- (Previous Year Rs. 14,95,18,328 /- )

\* Aggregate Market Value of quoted Investments :5,25,48,048/- (Previous Year Rs. 90,11,3673/- )

Current investments are carried in the financial statements at cost and Long-term investments are also carried at cost. However, provision for diminution in value is not recognize other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**3.10 Deferred tax liability/(asset) (net)**

Particulars	30 September 2012	30 September 2011
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	250,281
<b>Gross deferred tax liability</b>	-	<b>250,281</b>
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Deferred tax asset on carried forward losses	-	-
	-	-
<b>Net deferred tax liability/ (asset)</b>	-	<b>250,281</b>

**3.11 Long Term Loans and Advances**

Particulars	30 September 2012	30 September 2011
<b>Security deposit (Unsecured and considered good)</b>		
Other security deposit	988,645	988,645
	988,645	988,645
<b>Advances recoverable in cash or kind</b>		
Share application money	37,770,000	37,770,000
Unsecured, Considered doubtful	19,000,000	15,700,000
	<b>56,770,000</b>	<b>53,470,000</b>
	<b>57,758,645</b>	<b>54,458,645</b>

**3.12 Trade Receivables**

Particulars	30 September 2012	30 September 2011
<b>Outstanding for more than six months</b>		
a) Unsecured, Considered Good :	30,524,178	34,738,384
b) Doubtful	-	-
	<b>30,524,178</b>	<b>34,738,384</b>

**3.13 Cash and bank balances**

Particulars	30 September 2012	30 September 2011
<b>Bank balance</b>		
- In current accounts with bank		
i) In India with scheduled banks	216,686	378,835
ii) In Fixed Deposit Account	-	11,900,000
	<b>216,686</b>	<b>12,278,835</b>
Cash on hand	141,556	516
	<b>358,242</b>	<b>12,279,351</b>

**3.14 Short Terms Loans and Advances**

Particulars	30 September 2012	30 September 2011
<b>Loans &amp; Advances</b>		
Unsecured, Considered Good	11,700,000	11,700,000
Unsecured, Considered Doubtful	6,456,927	1,208,325
	<b>18,156,927</b>	<b>12,908,325</b>
<b>Others</b>		
Advances-others	2,251,491	-
Call in Arrears	152,000	152,000
Accrued Interest	-	344,669
Advance Income tax/TDS	1,757,689	1,751,402
Advance For Capital assets	-	1,056,419
Prepaid Expenses	171,172	309,522
	<b>4,332,352</b>	<b>3,614,012</b>
<b>Total in ₹</b>	<b>22,489,279</b>	<b>16,522,337</b>

**3.15 Other Current assets**

Particulars	30 September 2012	30 September 2011
Misc. Expenses	-	227,327
<b>Total in ₹</b>	<b>-</b>	<b>227,327</b>

**3.16 Revenue from operations**

Particulars	30 September 2012	30 September 2011
sales	9,259,450	5,348,000
	<b>9,259,450</b>	<b>5,348,000</b>

**3.17 Other Income**

Particulars	30 September 2012	30 September 2011
Interest income		
Others	-	358,042
- Bank Deposit	62,871	382,966
- Income tax	-	1,234,430
Dividend	831,953	666,738
Misc. income	140,261	-
	<b>1,035,085</b>	<b>2,642,176</b>

**3.18 Operating expenses**

Particulars	30 September 2012	30 September 2011
Purchases	8,061,000	4,884,700
	<b>8,061,000</b>	<b>4,884,700</b>

**3.19 Profit/Loss on sale of Investments**

Particulars	30 September 2012	30 September 2011
Short Term Capital Loss	-	1,308,881
Long Term Capital Loss	21,370,424	24,031,473
Profit/loss on sale of Unquoted shares	2,370,000	-
Speculation profit/loss	-	1,661,756
	<b>23,740,424</b>	<b>27,002,110</b>

**3.20 Employment Benefit Expenses**

Particulars	30 September 2012	30 September 2011
Salaries and wages	397,800	406,000
Director Remunerations	780,000	600,000
	<b>1,177,800</b>	<b>1,006,000</b>

**3.21 Financial Cost**

Particulars	30 September 2012	30 September 2011
Interest on vehicle loan	35,960	91,329
Bank Charges	9,504	4,828
	<b>45,464</b>	<b>96,157</b>

**3.22 Depreciation & Amortised Cost**

Particulars	30 September 2012	30 September 2011
Depreciation	1,883,660	1,234,226
Misc. Exp W/off	227,327	261,317
	<b>2,110,987</b>	<b>1,495,543</b>

**3.23 Other Administrative Expenses**

Particulars	30 September 2012	30 September 2011
Annul Custodial Fees	118,684	114,018
Computer Repair Expenses	3,700	51,830
Rent	417,560	391,844
Rates and taxes	104,009	53,117
Power and fuel	74,181	399,949
Communication costs	125,660	170,629
Donations	-	5,100
Listing Fees(includes NSDL charges)	322,416	212,415
Insurance Expenses	42,196	65,891
Postage Printing & Stationery Expenses	174,724	195,900
Membership & Subscriptions Fees	229,423	124,310
Advertisement & Publicity	24,000	54,647
Office expenses	24,808	129,242
Petrol and conveyance	-	18,932
Legal and professional fees	85,255	30,545
Repairs and maintenance (others)	-	111,053
Auditors Remuneration (refer details below)	56,180	55,150
ROC Expenses	6,600	3,300
Miscellaneous expenses	-	114,364
Selling and Dist. Expenses	326,378	83,240
Sebi Penalties	-	1,200,000
Travelling Exp.	1,663,609	2,110,000
	<b>3,799,383</b>	<b>5,695,476</b>

**Annexure – A “Unquoted Shares”**

Name of Company	No. of Shares	Face Value	Amount 30/09/2012	Amount 30/09/2011
Atut Fin Cap Ltd	250000	Rs 10 eachFully Paid	5000000	5000000
Blue Bird Buildwell Private Ltd.	33333	Rs 10 eachFully Paid	5000000	5000000
Chhajer Synthetics Pvt Ltd	19000	Rs 10 eachFully Paid	9500000	9500000
Classic Tubes India Ltd	15000	Rs 10 eachFully Paid	1500000	1500000
G. Consultants & Fabricators Ltd	4000	Rs 10 eachFully Paid	2000000	2000000
Good Luck Publishers Ltd.	10000	Rs 10 eachFully Paid	1000000	1000000
Race Course Capital Pvt.Ltd.	25000	Rs 10 eachFully Paid	2500000	2500000
N.M. Merchantile	230000	Rs 10 eachFully Paid	11500000	11500000
PSC Softech Impex Pvt Ltd	10000	Rs 10 eachFully Paid	3000000	3000000
Raksha Builders & Promoters Pvt Ltd	50000	Rs 10 eachFully Paid	4500000	4500000
Sherul Insulations Pvt Ltd	50000	Rs 10 eachFully Paid	4500000	4500000
Shubham Transocenic Pvt Ltd	100000	Rs 10 eachFully Paid	1100000	1100000
Sohrab Spinning Mills Ltd.	90000	Rs 10 eachFully Paid	4500000	4500000
T & S Logistics (P) Ltd.	25000	Rs 10 eachFully Paid	2500000	2500000
Motika Finance Ltd	66667	Rs 10 eachFully Paid	5000000	5000000
Sagittarius Securities & Finance Ltd	1175000	Rs 10 eachFully Paid	23500000	23500000
Sugo Gears Pvt.Ltd.	2000	Rs 100 eachFully Paid	1000000	1000000
24*7 E Power Ltd	60000	Rs 10 eachFully Paid	15000000	15000000
Mathura Strips Pvt Ltd	50000	Rs 10 eachFully Paid	5000000	5000000
Rohnik Hospitality Services Pvt Lt	120000	Rs 10 eachFully Paid	3000000	3000000
Silicon Securities Pvt Ltd	120000	Rs 10 eachFully Paid	3000000	3000000
Sarvopari Investments Pvt Ltd	35000	Rs 10 eachFully Paid	70475000	70475000
Siddhant Enterprises Pvt Ltd	25000	Rs 10 eachFully Paid	2500000	2500000
Instinct Advertising & Marketing Ltd	30000	Rs 10 eachFully Paid	NIL	3000000
Kay Nitro Oxygen Pvt Ltd	30000	Rs 10 eachFully Paid	3000000	3000000
RBRK	50000	Rs 10 eachFully Paid	5000000	5000000
<b>Total</b>	<b>2675000</b>		<b>194575000</b>	<b>197575000</b>



## Annexure – B “Quoted Shares”

Name of script	Market Value as on 30/09/2012	Investments as Cost 30/09/2012	Investments as Cost 30/09/2011
Abb - 500002	119662.5	112652	115739
Alok - 521070	989142.98	2477545	2545453
Amar Remedies Ltd- 532664	64842.5	60051	61697
Arss Infra Projects Ltd	29975	648135	665900
Artson Engineering Ltd- 522134	30250	31060	31911
Arvind Ltd- 500101	2395500	2936076	3016552
Ashok Leyland Ltd- 500477	86580	25344	26039
Assam Co- 500024	23976	50112	51486
Avaya Global- 500463	80470	57776	59360
Axis Bank- 532215	170512.5	104399	107260
Bajaj Corp Ltd	896500	569600	585212
Balasore- 513142 (Ispat Alloys)	34425	19950	20497
Balmer Lawri- 523319	Nil	Nil	85815
BASF- 500042	Nil	Nil	107886
BPL Ltd- 500074	Nil	Nil	35244
Burnpur- 532931	33210	66735	68564
Cairn Ind- 532792	165375	80160	148243
Cambridge Solutions- 532616	38812.5	157500	161817
Cat- 531682	1973851.78	3629316	3764359
Century Tex- 500040	108045	137085	140843
Cinemax- 532807	Nil	123568	22778
Core Project- 512199	81737.5	Nil	59084
Crest Anim- 526785	69500	58635	60242
Danlaw- 532329	4365	4109	4221
DCB- 532772	3735750	4556562	4519318
Dhanbank- 532180	27850	53335	54797
Divis- 532488	108010	57056	175860
DQE	93250	543300	558192
Dredging Corp of Ind- 523618	25210	61504	63190
Ecoboar- 523732	1551684.75	4644454	4771756
EKC- 532684	1785	9013	9260
Electrost- 500128	10150	16560	17014
Elgi Rubber- 590023	Merger	39825	40917
Essar Oil- 500134	1892300	5300675	5445964

Name of script	Market Value as on 30/09/2012	Investments as Cost 30/09/2012	Investments as Cost 30/09/2011
Exide Industries Ltd- 500086	153350	66030	67840
Facorall- 532656	49980	80750	82963
FDC - 531599	267900	234960	241400
Finolex Ind- 500940	398790	495054	508623
Fsl- 532809	469260	1541152	1583394
Fulford- 506803	Nil	Nil	24707
Future Cap Holding- 532938	28637.7	145216	149196
Garware Offshore - 501848	38800	76405	78499
Garware Poly- 500655	Nil	Nil	14826
Gdl- 532622	72975	58995	60612
GMR Infra- 532754	103950	105786	108686
Good Yr	317950	239150	245705
GRABAL- 532909	Delist	114471	117609
GTL Infrastructure Ltd - 532775	89200	375400	385690
Gujrat Alkalies- 530001	664750	400570	411549
Harita Sea- 590043	48285	19413	19945
Hexaware- 532129	243600	119700	122981
HGSL Global- 532859	95115	146143	150148
Himachal Future- 500183	563000	454240	466690
Hindalco Ind- 500440	482000	510180	524164
Hind Motors- 500500	170170	877766	901825
Hind Oil- 500186	1757880	2956181	3037208
Hinduja Ventures- 500189	49987.5	48346	49671
Hindustan Contraction Co Ltd- 500185	57760	199680	205153
ICRA- 532835	Nil	Nil	183769
Idea	83643	113504	116615
IFCI- 500106	772500	1450250	1490001
India Bulls Real Est (IBRE)- 532832	11530	83000	85275
India Infoline- 532636	57650	125435	128873
Indian Hume Pipe- 504741	163650	75165	77225
Indorama- 500207	11375	13515	13885
Indus Bank Ltd- 532187	1061400	191490	196739
Infosys- 500209	Nil	Nil	59862
Ispat Industries- 500305	1495500	3308150	3398825
Jindal Steel- 532286	427500	149427	153522

Name of script	Market Value as on 30/09/2012	Investments as Cost 30/09/2012	Investments as Cost 30/09/2011
JMC Project- 522263	110150	118240	121481
Jp Hydro- 532627	105600	89430	91881
Jsl Ltd - 532508	67600	122170	125514
Jupiter Bioscience Ltd- 524826	2432	16020	16459
Jyothy Lab- 532926	480150	234768	321604
Kadam Const - 531784	2462722.24	27630372	29715625
KALYANI- 500235	350910	1066404	1095634
Kingfisher Airlines- 532747	12331.8	21045	21622
Kriti Ind - 526423	247210	330110	339158
Kriti Nutrients Ltd - 533210	78600	113488	116592
K Sera- 532081	Nil	Nil	28841795
Laxmi Machine Works Ltd- 500252	101850	41633	42774
Laxmi Vilas Bank- 590069	Suspended	22560	23178
L&T- 500510	Nil	Nil	169038
Madhupro- 531497	11205	24725	25402
Madras Cement Ltd - 500260	326655	121465	124794
Magnum Ventures- 532896	14445	36135	37125
Mangalam Cement Ltd- 502157	158000	114730	117875
Man Ind Ltd- 513269	567500	318125	326845
Mcdowell- 532432 (United Spirits)	Nil	Nil	39990
Mcnally- 532629	56025	67100	68939
Mercator Lines Ltd- 526235	729120	2523672	2592845
MIRC- 500279	22700	44780	46007
MMFIN- 532720	Nil	Nil	55852
MTNL- 500108	811250	1761865	1810157
Mundra Port & Sez Ltd- 532921	117798.75	109785	121939
Mysore Cements Ltd - Heidelcem- 500292	97400	79960	82152
Nat Steel- 513179	72850	67150	68991
NDTV- 532529	213150	319755	328519
Nepin- 500301	5660	15080	15493
NHPC Ltd	967500	1548500	1590944
Nirlon- 500307	251500	93950	96525
Nitin Fire- 532854	487812.5	377125	387462
Nocil Ltd- 500730	337000	457800	470348
NTPC- 532555	453195	282571	290316
Nuchem - 500311	Suspended	488500	501890

Name of script	Market Value as on 30/09/2012	Investments as Cost 30/09/2012	Investments as Cost 30/09/2011
Nutek - 533015	9300	469400	482266
Ocl- 502165	78475	50350	51730
OCL Iron & Steel (OCLISL)- 533008	43160	26117	26833
OFSS- 532466	301100	57312	58883
OMDC - 590086	90759	67956	69819
Omme Infra- 531092	76800	29790	30607
ONGC- 500312	201888	124448	127859
Parsvnath- 532780	32080	101952	104746
Patel Integrated Logistics Ltd- 526381	729000	1560200	1602964
Penar Ind- 513228	516000	497490	511126
PETROL ENGG - 530381	66920	58488	60091
Petronet- 532522	157750	76250	78340
P.I. Drug- 512529 (Sequent)	201740	86226	151868
Pipavav Shipyard Ltd	391500	538250	553003
Polaris Software Lab- 532254	326125	339325	348626
Power Grid Corp Ltd- 532898	481400	230800	296408
Provogue- 532647	16860	66230	68045
PSI- 532199	Suspended	86830	89210
Purva- 532891	139000	75688	77763
Raipur Alloys (Sarda)- 504614	135200	151930	156094
Rap Media Ltd- 531583	3390	6147	6315
Raymond Ltd- 500330	Nil	Nil	50811
RIL- 500325	502020	632739	650082
Rishi Laser- 526861	22680	20295	20851
Rolta India Ltd - 500366	217650	483390	496639
R Power- 532939	563689.45	746670	767136
R.S. Software	1212750	1718945	2522943
Sasken- 532663	408000	257460	264517
Satyam- 500376	276875	187600	192742
Sesa Goa Ltd- 500295	171450	72490	74477
Shriram EPC Ltd	71250	292540	300558
Siemen - Bayer Diag- 506559	567040	242364	249007
Smart Link - 532419	103000	80667	82878
Spentex- 521082	26200	695500	42792
SREI- 523756	443880	Nil	671772
Supreme Infra Ltd- 532904	146700	64630	66401

Name of script	Market Value as on 30/09/2012	Investments as Cost 30/09/2012	Investments as Cost 30/09/2011
Supreme Pet- 500405	49140	18666	19178
Take Solution Ltd- 532890	113400	384643	395185
Talwalkar Better Value Fitness Ltd - 533200	524700	746910	767382
Themis- 530199	19110	14028	14413
Thirumalai- 500412	62725	63645	65389
Torent Power- 532779	351500	119080	122344
Torrent Cables Ltd- 523856	23500	25050	25737
Transgene- 526139	15376.5	114251	117382
TTML- 532371	59100	194950	200293
UCO Bank- 532505	461400	361960	371881
United Bank of India	319000	485850	Nil
Unitech Ltd	1215000	3742000	499167
Veejay- 522267	28800	86346	88713
Vinay Cement- 518051	117585	109431	112430
Vishal Retail Ltd- 532867	3472.2	196142	201518
Vyapar- 506142	41250	173055	177798
X Pro- 590013	180200	65390	67182
Zeno Tech- 532039	51675	130755	134339
Zensar Tech - 504067	454900	221940	228023
Alfalaval	1085	173744	178506
Confipet - 526829	17077.5	Nil	67872
Delta Corp Ltd - 532848	113827	Nil	162137
Eros Intl Media Ltd	1214625	1092225	1122162
House of Pearl Fashions Ltd - 532808	78364	50189	51565
IKF Technology	Delist	8955322	9200783
Le Waterina Resorts & Hotels Ltd - 531134	102555	251765	258666
Mahindra Ugine Steel	2124000	2257931	2319820
Marksans Pharma Ltd - 524404	15800	53854	55330
Omega Ag seeds	68950	94236	96819
PNB	503820	718348	738038
Subex Ltd - 532348	50122	240402	246991
UFLEX LTD	49475.5	90526	93007
Vikas Wsp Ltd - 519307	613530	173723	178485
India Bulls wholesale services	218	188	Nil
<b>Total</b>	<b>52548047.65</b>	<b>52548047.65</b>	<b>142985761</b>

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**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2012****1. Background**

Basis of the preparations of financial statements are prepared accordance with “GAAP “under the historical cost conversion on the accrual basis. In accordance with the requirements of the Companies Act, 1956. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 1956.

**2. Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**2.1 Summary of significant accounting policies****(a) Change in accounting policy****Presentation and disclosure of financial statements**

During the year ended 30 September 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(c) Tangible fixed assets**

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are

met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**(d) Depreciation Tangible fixed assets.**

Depreciation on fixed assets is calculated on a straight line method based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

	Rates (WDV)
Furniture and fixtures	6.33%
Computers	16.21%
Vehicles	9.50%
Residential House	1.63 %
Office Equipment	6.33%

**(e) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(f) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(g) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities.

Company has not making any provision for dimulation in the value of shares and securities. And as per management opinion there is no requirements to make any provisions for the same because it is temporary in nature

**(h) Inventories**

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. As per AS-9 Revenue recognitions issued by ICAI.

**(j) Accounting for taxes on income**

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(k) Retirement and other employee benefits**

Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account.

**(l) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best



estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**(m) Contingent liabilities**

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet

**3.24 Earnings per share**

Particulars	30-Sept.12	30-Sept.11
Net profit/(loss) after tax for the year	(2,88,90,804)	(3,21,89,810)
Equity shares outstanding as the year end	500,000,000	500,000,000
Nominal value per share (Rs.)	1	1
Earnings per share		
- Basic	(0.058)	(0.064)
- Diluted	(0.058)	(0.064)

**3.25 Related party transaction**

As per accounting standard on Related Party Disclosure (AS-18) as notified by the Companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

<u>Nature of the Related Party</u>	<u>Description of Relationship</u>
(A) Related Parties where control exists	NIL
(B) Related Parties where control exists	NIL
(C) Key Management Personal	

S/no.	Party name	Relations	Particulars	Amount
1.	Shri Satish R. Panchariya	Director	Remuneration	6,00,000/-
2.	Shri Ramankant Sharma	Director	Remuneration	1,80,000/-

**3.26 Auditors' remuneration (exclusive of service tax)**

<b>Particulars</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>
Statutory audit	25,000	25,000
Tax audit	25,000	25,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>

**3.27** Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.

**3.28** As per Management opinion Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

**3.29** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no micro, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**3.30** Figures in brackets represent those of the previous year.

**3.31** Figures for the previous year have been regrouped / amended wherever necessary.

**Signature to Notes**

For **Agrawal Jain & Gupta**  
Chartered Accountants  
Firm Registration No. 013538C

Sd/-

**CA Narayan Swami**  
Partner  
M. No - 409759

**For and on behalf of the board of directors**

Sd/-

Director

Sd/-

Director

Place : Mumbai  
Date : 06.02.2013

## Cash Flow Statement For The Year Ended September, 31, 2012

Particulars	30 September 2012	30 September 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(28,890,803.52)	(32,189,810.00)
Adjustments For:		
Depreciation/Amortisation	1,883,659.75	1,234,226.00
Loss On Sale Of Investment	23,740,423.77	27,002,110.00
Dividend income	(831,953.00)	(666,738.00)
Interest Cost	35,960.00	91,329.00
Interest Received	(62,871.00)	(1,975,438.00)
Miscellaneous Expenditure Written Off	227,327.00	261,317.00
	24,992,546.52	25,946,806.00
Operating Cash Flow Before Changes In Working Capital	(3,898,257.00)	(6,243,004.00)
Adjustments For:		
(Increase)/Decrease In Sundry Debtors	4,214,206.00	22,068,697.00
(Increase)/Decrease In Loans And Advances	(9,266,942.00)	62,702,424.00
Increase/(Decrease) In Current Liabilities And Provisions	(9,098,756.00)	(30,940,592.00)
Net Changes In Working Capital	(18,049,749.00)	47,587,525.00
Taxes Paid	-	-
Extraordinary Items	250,281.00	42,166,327.00
<b>Cash Generated From/(Used In) Operations</b>	<b>(17,799,468.00)</b>	<b>89,753,852.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase Of Fixed Assets	(1,056,419.00)	(8,127,657.00)
Purchase Of Investments	(4,091,128.00)	(133,803,241.13)
Sale Of Investments	10,878,070.00	60,576,828.00
Dividend Received	831,953.00	666,738.00
Interest Received	62,871.00	1,975,438.00
<b>Cash Generated /(Used In) From Investing Activities</b>	<b>6,625,347.00</b>	<b>(78,711,894.13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(35,960.00)	(91,329.00)
Proceeds From Borrowings	(711,028.00)	(656,601.00)
Repayment Of Borrowings		-
<b>Cash Generated /(Used In) From Financing Activities</b>	<b>(746,988.00)</b>	<b>(747,930.00)</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(11,921,109.00)</b>	<b>10,294,027.87</b>
Cash And Cash Equivalents At The Beginning Of The Year	12,279,350.87	1,985,325.00
Cash And Cash Equivalents At The End Of The Year	358,241.87	12,279,350.87

Particulars	30 September 2012	30 September 2011
<b>Note:</b>		
<b>1 Cash and cash equivalents at the year end comprise:</b>		
Cash On Hand	141,556.00	516.00
Balance With Scheduled Banks In	-	-
- Current Accounts	216,686.00	378,835.00
- Deposit Accounts	-	11,900,000.00
	<b>358,242.00</b>	<b>12,279,351.00</b>
<b>2 The Cash Flow Statement Has Been Prepared Under Indirect Method As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued By The Institute Of Chartered Accountants Of India</b>		

As per our report of even date attached

**For Agrawal, Jain and Gupta**  
Chartered Accountants  
Firm Registration No. 013538C

Sd/-

**Narayan Swami**  
Partner  
Membership No.: 409759

**Mumbai**  
**Date: 06-02-2013**

**For ALKA INDIA LIMITED**

Sd/-

(Director)

Sd/-

(Director)

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

<b>Balance Sheet Abstract and Company's General Business Profile</b>
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**1. Registration Details**

Registration No. 

1	6	8	5	2	1
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 State Code 

1	1
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Balance Sheet Date 

3	0
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0	9
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2	0	1	2
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Date Month Year

**2. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue

				5	0	0	0	0	0
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Bonus Issue

								N	I	L
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Rights Issue

								N	I	L
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Private Placement

						1	3	4	3	9	8
--	--	--	--	--	--	---	---	---	---	---	---

**3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)**

				4	4	5	2	9	4

				4	4	5	2	9	4

Sources of Funds

Paid - up capital

				5	0	0	0	0	0
--	--	--	--	---	---	---	---	---	---

Reserves and surplus

								3	5	2	1
--	--	--	--	--	--	--	--	---	---	---	---

Secured loans

									6	1
--	--	--	--	--	--	--	--	--	---	---

Unsecured loans

--	--	--	--	--	--	--	--	--	--	--	--

Deferred tax liability (Net)

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Share application money

--	--	--	--	--	--	--	--	--	--	--	--

Application of Funds  
 Net fixed assets  
 Including Capital work in progress

						1	7	5	9	8
--	--	--	--	--	--	---	---	---	---	---

Net current assets

						7	8	7	2	6
--	--	--	--	--	--	---	---	---	---	---

Accumulated losses

						2	2	5	0	9	1
--	--	--	--	--	--	---	---	---	---	---	---

Investments

						3	1	6	5	6	6
--	--	--	--	--	--	---	---	---	---	---	---

Miscellaneous expenditure

--	--	--	--	--	--	--	--	--	--	--	--

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)

						9	2	5	9
--	--	--	--	--	--	---	---	---	---

Total Expenditure

						3	8	9	3	5
--	--	--	--	--	--	---	---	---	---	---

+ - Profit/ (Loss) Before Tax

<input checked="" type="checkbox"/>						2	8	6	4	0
-------------------------------------	--	--	--	--	--	---	---	---	---	---

+ - Profit/ (Loss) after Tax

	<input checked="" type="checkbox"/>					2	8	8	9	1
--	-------------------------------------	--	--	--	--	---	---	---	---	---

(Please tick Appropriate box + for Profit, - for loss)

Earning per Share (Rs.  
 (on profit after taxes)

		-	0	-	0	6
--	--	---	---	---	---	---

Dividend Rate %  
 (Equity

N	I	L
---	---	---

5. Generic Names of Three Principal Products / Services of Company  
 (as per monetary terms)

Item Code No. (ITC Code)

5	2	0	8	0	0		
5	2	0	5	0	0		

Product Description

Cloth
Yarn

For and on behalf of the board of directors

Sd/-                      Sd/-

Director                Director

Place: Mumbai  
 Date: 06.02.2013

# ALKA INDIA LIMITED

Regd. Office : E-211, Crystal Plaza, Opp. Fameadlabs, New Link Road, Andheri (W), Mumbai-400053.

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## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member(s) of ALKA INDIA LIMITED, hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of  
\_\_\_\_\_ failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the Nineteen Annual General Meeting of the  
Company to be held on Friday, the 1<sup>st</sup> March, 2013 at 9.00 a.m. at National centre for Quality Management,  
503, Kailas Industrial Complex, Vikhroli Link Road, Vikhroli (West), Mumbai – 400079 Crystal Plaza, New  
Link Road, Andheri (W), Mumbai-400053 and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

DP ID/Client ID./ L.F. No. \_\_\_\_\_

No.of Shares \_\_\_\_\_

Affix a Rs. 1/- Revenue Stamp Here
--

**Note:** The Proxy and the Power of Attorney (if any) under which it is signed or a notarially copy of that Power of Attorney must be deposited at the Registered Office of the Company at E-211, Crystal Plaza, Opp. Fame adlabs, New Link Road, Andheri (W), Mumbai-400053, Maharashtra, not less than 48 hours before the date for holding the Annual General Meeting.

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# ALKA INDIA LIMITED

Regd. Office : E-211, Crystal Plaza, Opp. Fameadlabs, New Link Road, Andheri (W), Mumbai-400053.

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## ATTENDANCE SLIP

### NINETEEN ANNUAL GENERAL MEETING

(To be handed over, duly filled at the Entrance of the Meeting Place)

Name of the attending Member/Proxy \_\_\_\_\_

(in block letters)

DP ID/Client ID./ L.F. No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

I hereby record my presence at the Nineteen Annual General Meeting of the Company being held at Friday  
the 1<sup>st</sup> March, 2013 at 9.00 a.m. at, National centre for Quality Management, 503, Kailas Industrial Complex,  
Vikhroli Link Road, Vikhroli (West), Mumbai – 400079.

Date:

Signature of the Member

Book-Post

If undelivered please return to :

**ALKA INDIA LIMITED**

E-211, Crystal Plaza,  
Opp. Fameadlabs, New Link Road,  
Andheri (W), Mumbai-400053.