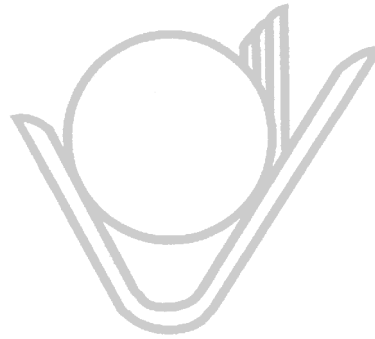


Annual Report

2009-10

●●● **VIKALP SECURITIES LIMITED** ●●●



VIKALP SECURITIES LIMITED
Twenty Fourth Annual Report
2009-10

BOARD OF DIRECTORS : (I) MR. ARUN KEJRIWAL, MANAGING DIRECTOR
(II) MR. SHARAD TANDON
(III) MR. LALTA PRASAD DIXIT
(IV) MR. T. N. AGARWAL
(V) MR. SHIV KUMAR TRIVEDI

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 INDORE, BIRHANA ROAD, KANPUR
(III) THE NAINITAL BANK LTD., BIRHANA ROAD, KANPUR

REGISTERED OFFICE : 26/73, KARACHI KHANA,
KANPUR - 208 001

VIKALP SECURITIES LTD

Registered Office : 26/73, Karachi Khana, Kanpur

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of VIKALP SECURITIES LTD will be held on, the 30th day of September 2010 at 9 A.M. at the registered office of the Company at 26/73 Karachi Khana, Kanpur to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of directors and Auditor thereon.
2. To reappoint Mr. S. K. Trivedi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors M/s Chaudhary Pandiya & Company., Chartered Accountants, Kanpur are, however, eligible for re-appointment.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as ordinary Resolution :-
"RESOLVED THAT M/S. ADESH TANDON & ASSOCIATES, Company Secretaries be and is hereby appointed for giving Compliance Certificate to the Company by virtue of the proviso to sub-section (1) of Section 383A inserted by the Companies (Amendment) Act, 2000 and who cease to hold office with the conclusion of this Annual General Meeting, be and are hereby reappointed to hold office from the conclusion of this Annual General Meeting on a remuneration to be decided by Board of Directors."

Date : 23rd August 2010
Place: Kanpur

For and on Behalf of the Board

(Arun Kejriwal)
Managing Director

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a Member of the Company.
2. Proxy, in order to be effective, must reach at the Registered Office of the Company before 48 hours from the commencement of the Annual General Meeting.
3. The relevant explanatory statement pursuant Section 173 (2) of the Companies Act 1956 is annexed hereto.
4. Brief about the retiring director pursuant to Corporate Governance Compliance :- Mr. S.K. Trivedi has been associated with the company since past 6 years and has been continuously working toward the development of the company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :-
ITEM NO. 4

The proviso to Section 383A of the Companies Act, 1956, requires every company which is not required to employ a whole time secretary and has a paid up share capital of Five crores rupees or more to file with the Registrar of Companies a Secretarial Compliance Certificate issued by a Company Secretary in whole time practice in the prescribed format as to whether the company has complied with all the provisions of the Act and a copy of such certificate shall also be attached with the Board's report. Hence the reappointment of M/S Adesh Tandon & Associates, Company Secretaries is placed before you for your approval to issue Secretarial Compliance Certificate for the year ended 31st March 2011.

None of the Directors are concerned or interested in the above Resolution.

Date : 23rd August 2010
Place: Kanpur

For and on Behalf of the Board

(Arun Kejriwal)
Managing Director

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 2010.

FINANCIAL RESULTS

	<u>2009-2010</u>	<u>2008-2009</u>
Total Income	3128312.75	1380276.75
Profit before Interest, Depreciation & Tax	104328.04	1066365.22
Less : Depreciation	11501.84	79134.21
Interest	0.00	0.00
PBT/(Loss) Before Tax	92826.20	987231.01
Fringe Benefit Tax	0.00	-462.00
Fringe Benefit Tax of Previous Year	0.00	-400.00
Deferred Tax Assets /(Liability)	(986)	13621.00
Current Year Income tax	(32309)	0.00
	59531.20	999990.01
Appropriation	0.00	0.00
General Reserve	0.00	0.00
Balance Carried to Balance Sheet	59531.20	999990.01

During the year under review, the total income of the Company is Rs. 3128312.75 as compared to previous year is Rs.1380276.75. The Company has generated a profit of Rs. 92826.20 as compared to profit of Rs. 987231.01 in the previous year. Your Directors are planning to take effective steps to enhance the profitability of the Company.

BUSINESS ACTIVITIES :

There is no change in the business activities of the Company since our last report.

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 :

There is no change in Board of Directors during the year. Mr. S.K. Trivedi retires by rotation 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, 2010 and of the Profit of the Company for that year;
 - 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 :

As per information furnished to the company there are no dues which are due to Micro, Small and Medium Enterprises based on

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feedback available to the company. Dividend is accrued on cash basis, since same accrues only when the amount is received otherwise there exists no mechanism to determine the date of declaration of dividend by the company. Thus the accruality stands postponed till date of receipt of dividend. Amount [paid inadvertently to person registered U/S 301 of The Companies Act, 1956 has been recovered during the current year.

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/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 Association 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 has been passed in 2007 for the delisting of the shares from these stock exchanges.

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. 24, 00,000/- during the financial year under review or Rs.2, 00,000/- per month. Hence, the information under Section 217 (2-A) 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 Outgo	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 : 23rd August 2010

By Order of the Board

(Arun Kejriwal)
Managing Director

(Sharad Tandon)
Director

Corporate Governance Report

The Directors are pleased to present their 8th Corporate Governance report for the financial year 2009-2010, 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

According to Clause 49 of the Listing Agreement, if the Chairman is Executive, at least half of the Board should consist of independent Directors.

The Board of Directors of the Company includes eminent personalities various fields.

Composition of Board of Directors :

As on 31st March 2010, the Board consisted of five directors. The company has an optimum combination of executive and non executive director. Four of the directors are Non Executive Directors as well as Independent. 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 as on 31.03.2010 is as follows :

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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	5	Yes	237412 7.8%
2.	Shri Sharad Tandon	Non Executive Independent	5	Yes	500 0.016%
3.	Shri Lalta Prasad Dixit	Non Executive Independent Director	5	Yes	5300 0.17%
4.	Shri T. N. Agarwal	Non Executive, Independent	2	Yes	NIL
5.	Shri Shiv Kumar Trivedi	Non Executive, Independent	2	Yes	NIL

The Annual general Meeting was held on 30th September 2009.

One Extra Ordinary General Meeting of the company was held on 1st April 2009 during the Financial Year.

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	1	NIL	NIL
2.	Shri Sharad Tandon	NIL	NIL	NIL
3.	Shri Lalta Prasad Dixit	NIL	NIL	NIL
4.	Shri T. N. Agarwal	3	NIL	NIL
5.	Shri Shiv Kumar Trivedi	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.

5. BOARD MEETING AND PROCEDURES :

The Board duly met for a total of 5 (five) times during the year 2009-10, the dates on which the said meetings were held are 30th April 2009, 31st July 2009, 31st August 2009, 31st October 2009, 31st January 2010. During the year all the requirements of clause 49 of the listing Agreement have been complied with. The information as required under Annexure IA to clause 49 has been made available to the Board.

5A. 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 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.
- (iii) The Chairman of the Board in consultation with other concerned team members of the senior management and with the help of Practicing Company Secretary finalizes the agenda papers for the Board meetings.

5B. 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.

5C. 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.

5D. 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.

5F. Board Meetings :

There were 5(Five) Board meetings held during the financial year 2009-10 on 30th April 2009 , 31st July 2009, 31st August 2009, 31st October 2009, 31st January 2010. 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.

6. 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, Remuneration Committee and Share Transfer Committee. 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

(i) 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.

The Composition as on 31st March 2010 was as under :-

Sl. No.	Names of Members	Designation	Executive/ Non Executive/ Independent	No. of Meetings attended during the year 2009-10
1	Shri Lalta Prasad Dixit	Chairman	Non Executive Independent	4
2	Shri T.N. Agarwal	Member	Non Executive Independent	4
3	Shri Shiv Kumar Trivedi	Member	Non Executive Independent	4

The chairman of the committee was present at the last Annual General Meeting held on 31st September 2009.

The primary objective of Audit Committee is 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 30th April 2009, 30th July 2009, 31st October 2009, 31st January 2010. 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 to be 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;

Vikalp Securities Ltd.

- 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.

(iii) 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 31/03/2010 was as under :-

Sl. No.	Names of Members	Executive/ Non Executive/ Independent	No. of Meetings attended during the year 2009-10
1	Shri Lalta Prasad Dixit	Non Executive Independent	12
2	Shri Arun Kejriwal	Executive	12

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 received (1) one investor complaint during the year and that was duly resolved to his satisfaction within 10 days of receipt. There are no cases 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.

iii) Remuneration Committee

The Board has constituted Remuneration Committee, comprising of Shri T.N. Agarwal and Mr. Shiv Kumar Trivedi and Mr. Sharad Tandon.

The Remuneration Committee has been constituted to :-

- recommend the policy on specific remuneration packages for Executive Directors Including pension rights and any compensation payments;
- improve the terms of any Employee Stock Option Scheme or plan as may be issued from time to time by the Company;

The composition as on 31/3/2010 was as under :

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Sl. No.	Names of Members	Executive/ Non Executive/ Independent	No. of Meetings attended during the year
1.	Shri T.N. Agarwal	Non Executive and independent	0
2.	Mr. Shiv Kumar Trivedi	Non Executive and independent	0
3.	Mr. Sharad Tandon	Non Executive and independent	0

The remuneration earned during the year 2009-2010 by Non-Executive Directors is given below :

Sl. No.	Names of Non-Executive Director	Sitting Fees (Rs.)	Commission (Rs.)
		NIL	NIL

The Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Remuneration policy is in consonance with the existing Industry practice.

(iv) Share Transfer Committee :

The Board has constituted share Transfer Committee, comprising of Shri Arun Kejriwal, Shri Lalta Prasad Dixit and Mr. Sharad Tandon.

The Share Transfer Committee has been constituted to consider and take on record the transfer of shares and to look into the fact that all the legal formalities relating to the Transfer of shares have been duly made.

3. General Body Meetings

Particulars about the last three Annual General Meetings (AGMs) of the Company are :

Sl. No.	AGM Particulars	Date	Venue	Time
1	2008-09	30th September 2009	26/73 Karachi Khana Kanpur	11 a.m.
2	2007-08	30th September 2008	26/73 Karachi Khana Kanpur	11 a.m.
3	2006-07	29th September 2007	26/73 Karachi Khana Kanpur	11 a.m.

Details of Special Resolution was passed in the previous three annual general meetings :

Annual General Meetings	No. of Special Resolutions
2008-09	No Resolution
2007-08	01 Re-appointment of Managing Director
2006-07	01 Delisting of shares

No item of business, which required the member's approval through postal ballot, was transacted during 2009-2010. Accordingly, the Companies (Postal Ballot) Rules, 2001 is not applicable to the Company during the said year.

4. Disclosures

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in notes on Accounts-Schedule 10 forming part of Annual report.

The Company has generally complied with all requirements of Listing Agreement with the Stock Exchange as well as regulations and guidelines of SEBI, Stock Exchange or any other Statutory Authority on matters relating to capital markets in the last three years.

Regarding the valuation of inventory, it is pertinent to mention that the company has been following this valuation policy consistently.

Whistle Blower Policy :

Although the company does have any Whistle Blower Policy at present, yet no personnel is being denied access to the Audit Committee.

5. Means of Communication

- Your Company uses several modes of communicating with its external stakeholders such as announcements and press releases in newspapers, circular letters and reports to the members, intimation to the Stock Exchanges, responding to analyst's queries etc.
- Your company's quarterly results are disseminated through all the modes mentioned above.
- Your Company's Management Discussion & Analysis of the Business forms a part of this Annual Report and is given under the section so captioned.

Shareholding Pattern as on 31st March 2010 :

S.No.	Category	Shares Held	% Shareholding
1	Promoters and Promoters Group	1350800	44.26
2	Mutual Funds & UTI	00	00
3	Banks, Financial Institutions, Insurance Companies, Central/State Gov. Institutions/ Non-governmental Institutions, Venture Capital	00	00
4	Foreign Institutional Investors (FIIs)	00	00
5	Private Corporate Bodies	337500	11.05
6	Indian Public	1361600	44.62
7	NRIs/OCBs	2000	0.07
8	Clearing Members	00	00
TOTAL		3051900	100%

6. General Shareholding Information

Sl. No.	Silent items of Interest	Particulars
1.	AGM date, time and venue	30th September 2010
2.	Financial Calendar	Financial Year: April 1 to March 31 Financial Results for the first quarter End of July 2010 Financial Results for the second quarter End of October 2010 Financial Results for the third quarter End of January 2011 Financial Results for the Fourth quarter End of April 2011
3.	Date of Book Closure	The Share Transfer Book and Register of Members will remain closed from on 26th September to 30th September 2010.
4.	Dividend Payment Date	No interim dividend was declared during the year 2009-10 and the Directors have not recommended any dividend on equity shares for financial 2009-10 in ensuing Annual General Meeting.
5.	Listing on Stock Exchanges	The equity shares of the company are listed at 1. U P Stock Exchange, Uttar Pradesh 2. Bombay Stock Exchange, Mumbai 3. Calcutta, Stock Exchange, Kolkata 4. Delhi Stock Exchange, Delhi *The company proposes to delist its Equity shares from Delhi Stock Exchange and Calcutta Stock exchange and no steps has been taken pursuant to the Special Resolution passed at the Annual General Meeting held in 2007.
6.	Stock Code	A256 A1 A4 A2

7.	Registrar & Share	Skyline Financial Services Private Limited Transfer Agents
8.	ISIN	INE 186E01011
9.	Share Transfer System	Share Transfer is effected within 30 days from the date of receipt.
10.	Dematerialization of shares and liquidity	Dematerialization of shares is completed
11.	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	There are no such instruments pending conversion likely to impact in equity share capital.
12.	Plant Locations	NA
13.	Address for correspondence	26/73 Karachi Khana, Kanpur

**AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF VIKALP SECURITIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Vikalp Securities Ltd. for the financial year ended 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock Exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an examination 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 all material respect 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 records maintained by the company, Shareholders/ investor 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.

FOR CHAUDHARY PANDIYA & CO.
Chartered Accountants

PLACE : Kanpur
Dated : 27-07-2010

Ganesh Chaudhary
Partner
(M.NO 70838)

DECLARATION BY MANAGING DIRECTOR

I, Arun Kejriwal, Managing Director of M/S VIKALP SECURITIES LIMITED hereby confirm pursuant to clause 49(1) (D) of the Listing Agreement, that :

1. The Board of Directors of M/S VIKALP SECURITIES LIMITED has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company.
2. All the Board members and Senior Management Personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2010.

Place : Kanpur
Date : 27th July, 2010

Arun Kejriwal
Managing Director

CEO CERTIFICATION

The Board of Directors,
Vikalp Securities Limited
26/73 Karachi Khana,
KANPUR

Financial Statements for the year 2009-2010-Certification by CEO

I, Arun Kejriwal, Managing Director on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31, 2010 and to best of my knowledge and belief, I hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2010 which are fraudulent, illegal or violative of the company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies, if any of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I further certify that :-
 - (a) there have been no significant changes in internal control during this year except that control over certain areas has been further strengthened.
 - (b) there have been no significant changes in the accounting policies.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : Kanpur
Date : 27th July, 2010

Arun Kejriwal
Managing Director

Company's Secretary Report

Registration No. of the Company : **20-7727**

Nominal Capital : **Rs. 3,50,00,000**

To,
THE MEMBERS,
M/s Vikalp Securities Limited
26/73, Karachi Khana,
Kanpur.

We have examined the registers, records, books and papers of M/S VIKALP SECURITIES LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in Memorandum and Articles of Association of the Company for the financial year ended as on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

- 1) The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board and other authorities within the time prescribed under the Act and the rules made there under as otherwise stated in Annexure 'B'.
- 3) The Company being a Public Limited Company has the minimum prescribed paid-up capital.
- 4) The Board of Directors duly met 5 times respectively on 30th April 2009, 31st July 2009, 31st August 2009, 31st October 2009, 31st January 2010. In respect of which meetings proper notices were given and the proceedings were properly recorded & signed.
- 5) The Company has closed its Register of Members from 26th September 2009 to 30th September 2009 during the financial year and necessary compliance of Section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 30th September 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) One Extra Ordinary General Meeting was held during the financial year after giving due notice to the members of the company and resolutions passed thereat were duly recorded in the minutes book maintained for the purpose
- 8) The Company has advanced loan to its Director and a Company as referred to under Section 295 of the Companies Act, 1956 during the year under scrutiny. However the amount inadvertently paid has been recovered subsequently.
- 9) The company has entered into contracts falling within the purview of section 297 of the Companies Act, 1956 during the year under scrutiny, but the effect of transaction has been reversed
- 10) The company has made necessary entries in the register maintained under section 301 of the Companies Act, 1956.
- 11) As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
- 12) The company has not issued any duplicate share certificate during the financial year.
- 13) The Company :
 - a. has not allotment/ transfer and transmission of securities during the financial Year.
 - b. has not deposited any amount in a separate Bank account as no dividend was declared during the financial Year.
 - c. was not required to post dividend warrants to any member of the company as no dividend was declared during the year.
 - d. no amounts in unpaid dividend account, application money due for refund, maturity deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years so as to transfer them to the Investor Education and Protection Fund.
 - e. Has duly complied with the requirements of section 217 of the Act.

Vikalp Securities Ltd.

- 14) The Board of Directors of Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and directors to fill the casual vacancy during the financial year.
- 15) The Company has not appointed any Managing Director/Whole Time Director/Manager during the financial year.
- 16) The Company has not appointed any sole selling agents during the financial year.
- 17) The Company was not required to obtain any approvals of the Central Government, Company Law Board Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Companies Act, 1956 during the financial year.
- 18) The directors have disclosed their interest in the firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19) The Company has not issued any shares, debentures or other securities during the financial year.
- 20) The Company has not bought back any shares during the financial year.
- 21) There was no redemption of debentures during the financial year.
- 22) There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfers of shares.
- 23) The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58 A during the financial year.
- 24) The Company has not made any borrowings during the financial year ended 31st March 2010.
- 25) Sine the company is doing share broking and investment business therefore, the provisions of section 372 A of the Act are not applicable.
- 26) The Company has not altered the provisions of Memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
- 27) The Company has not altered the provisions of Memorandum with respect to the objects of the company during the financial year under scrutiny.
- 28) The Company has not altered the provisions of Memorandum with respect to name of the company during the financial year under scrutiny.
- 29) The Company has not altered the provisions of Memorandum with respect to Share Capital of the company during the year under scrutiny.
- 30) The Company has not altered its Articles of Association during the financial year under scrutiny.
- 31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any punishment was imposed on the Company during the Financial year for offences under the Act,.
- 32) The Company has not received any money as security from its employees during the financial year.
- 33) The Company has not constituted a separate provident fund trust for its employees or class of employees as contemplated under section 418 of the Act.

Place : Kanpur
Dated : 23rd August 2010

ADESH TANDON

ADESH TANDON & ASSOCIATES
COMPANY SECRETARY
(C.P. No.: 1121)

Annexure - A

Registers as maintained by the Company :

1. Statutory Register

- 1) Register of members u/s 150
- 2) Registers and returns u/s 163
- 3) Minutes Book of Meetings u/s 193
- 4) Books of Accounts u/s 209
- 5) Registers u/s 301
- 6) Register of Director, Managing Director, Manager & Secretary u/s 303
- 7) Register of Director share holding u/s 307
- 8) Register of Mortgage & Charges u/s 143

2. Other Register

- 1) Register of Transfer
- 2) Register of Directors Attendance
- 3) Register of Share Holder Attendance
- 4) Register of Fixed Assets

Note : The other statutory registers are not required to be maintained as same are not applicable, as there exist no transactions to be recorded therein.

Annexure - B

1. Forms and Returns as filed by the Company with Registrar of Companies during the financial year ended on 31st March 2010.

S.No.	Forms/Return	Filed under Section	For	Date of Filing	Whether filed with in prescribed time yes/no	If delay in filling whether requisite additional fee paid yes/no
1	Form 66	383A	Compliance Certificate	24.10.2009	Yes	No
2	Form 23AC And Form 23ACA	220	Balance Sheet (Sch. VI) As at and Profit & Loss Account for the year ended 31.03.09	30.10.2009	Yes	No
3	Form 20B	159	Annual Return Made up to 30.09.2009	30.10.2009	Yes	No
4	Form 25 C	269 read with Schedule XIII of the Companies Act, 1956.	Re-appointment of Managing Director for a term of 3 years w.e.f. 01.10.2008	03.03.2010	No	Yes
5	Form 23	192	Re-appointment of Managing Director for a term of 3 years w.e.f. 01.10.2008	03.03.2010	No	Yes

(ii) Other Authorities - Nil

AUDITOR'S REPORT

To,
THE MEMBERS OF VIKALP SECURITIES LIMITED, KANPUR

1. We have audited the attached Balance Sheet of M/S VIKALP SECURITIES LIMITED and the Profit & Loss Account and the cash flow statement for the year ended 31st March 2010 and report as follows :-

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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on the 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 the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of Sec. 227 of the Companies Act , 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to 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 purpose 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 the books.
- c. The Balance Sheet & Profit & 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, Profit & Loss Accounts and the Cash Flow Statement dealt with by this report comply with the requirement of the Accounting standards referred to in Section 3 (C) of Section 211 of the Companies Act, 1956. Expect accounting standard AS 9 relating to income recognition in respect of dividend income as per note No. 1.7 (C) of Schedule 10 of the balance Sheet.
- e. On the basis of the written representation received from the directors, and taken on record by the Board of Director, we report that none of the directors is disqualified as on 31st March 2010, from being appointed as a director in terms of 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 explanations given to us , the said accounts give the information required by the Companies Act. 1956 in the manner so required subject to note no. 2.7 of schedule no. 10 of the balance sheet give a true a fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010.
- (ii) In the case of the Profit & Loss account of the Profit for the year ended on that date.
- (iii) In the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

FOR CHAUDHARY PANDIYA & CO.
CHARTERED ACCOUNTANTS
FRN 001903C

GANESH CHAUDHARY
PARTNER
M.N.70838

PLACE : KANPUR
DATE : 27-07-2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE.

RE : VIKALP SECURITIES LIMITED

- 1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have been physically verified by the management during the year. As informed no material discrepancies were noticed on such verification.
 - (c) There was no disposal of fixed assets during the year.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals during the year of unquoted & non dematerialised securities.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and as informed no material discrepancy was noticed on physical verification.
- 3) (a) According to the information and explanation given to us the company has granted unsecured loan to a company, and one other party whose maximum balance at any time during the year is Rs. 231285/- and Rs. 325000/- respectively covered in the register maintained under section 301 of the Companies Act, 1956 and the balance outstanding at the end of the year amounts to Rs. 231285/- and Rs. 325000/- respectively.
 - (i) No interest has been charged on the said advance & all terms & condition of unsecured loans granted by the company are prima facie not prejudicial to the interest of the company.
 - (ii) In our opinion and according to the information and explanation provided to us, the company is not paying the principal according to the terms and conditions of the loan given.
 - (iii) In our opinion and according to the information and explanation given to us the amount granted to company is overdue and the account are not regular in payment of the dues.
- (b) (i) According to the information and explanations given to us the company has taken unsecured loan from one other party covered in the register maintained under section 301 of the Companies Act, 1956 whose maximum balance at any time during the year is Rs. 800000/- and the balance outstanding at the end of year in Rs. NIL .
 - (ii) No interest has been charged on the said loan taken by the company & other terms & condition of unsecured loans are prima facie not prejudicial to the interest of the company.
- (c) In our opinion and according to the information and explanation provided to us, the party is regular in payment of principal.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there is transactions that need to be entered into the register maintained under section 301, of the companies Act, 1956 and they are entered into the register.
 - (b) In our opinion and according to the information and explanation given to us, there is transaction with parties with whom transactions exceeding value of Rupees Five Lakhs has been entered into during the financial year are at prices which are reasonable having regard to the prevailing market prices at the relevant time.

Vikalp Securities Ltd.

- 6) The company has not accepted any deposits from the public.
- 7) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- 8) Since the company is doing share broking and investment business the requirement of para (VIII) of the clause 4 of order does not apply .
- 9)
 - (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Income Tax, Service Tax, Securities Transaction Tax and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Service Tax, S T T & other applicable statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
 - (b) According to the records of the Company, there are no dues outstanding of Income Tax, Service Tax and other applicable statutory dues on account of any dispute
- 10) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceeding financial year.
- 11) Based on our audit procedures and on the information and explanations given by the management, the Company does not have any borrowings from financial institutions, banks or by way of debentures.
- 12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- 14) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The Shares, Securities, Debentures and other securities have been held by the company, in its own name.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) The Company do not have any term loans during the year.
- 17) The Company do not have any short term borrowings during the year.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- 19) The Company has not issued any debenture during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) In our opinion and according to the information and explanations given to us the company has not noticed or reported any fraud on or by the Company.

FOR CHAUDHARY PANDIYA & CO.
CHARTERED ACCOUNTANTS
FRN 001903C

GANESH CHAUDHARY
PARTNER
M.N.70838

PLACE : KANPUR
DATE : 27-07-2010

BALANCE SHEET AS AT 31ST MARCH 2010

In Rs.

SOURCE OF FUNDS	Schedule No.	CURRENT YEAR	PREVIOUS YEAR
Share Capital	"1"	30519000.00	30519000.00
Reserve and Surplus	"2"	614346.97	554815.77
Total Rs.	TOTAL	31133346.97	31073815.77
APPLICATION OF FUND			
FIXED ASSETS			
Gross Block		569813.47	569813.47
Less :- Depreciation	"3"	542005.63	530503.79
Net Block		27807.84	39309.68
Investments	"4"	6550967.05	6550967.05
Current Assets, Loan & Advances		6578774.89	6590276.73
Inventories		46121.28	1646121.28
Sundry Debtors	"5"	2362674.09	3876670.09
Cash & Bank Balance	"6"	736736.48	298964.44
Loan & Advances	"7"	21495160.23	19515070.23
	TOTAL	24640692.08	25336826.04
Less :- Current Liabilities & Provision "8"		86120.00	853287.00
Net Current Assets		24554572.08	24483539.04
Note to Accounts	"10"		
Total Rs.	TOTAL	31133346.97	31073815.77

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR CHAUDHARY PANDIYA & CO.
CHARTERED ACCOUNTANTS

(GANESH CHAUDHARY)

PARTNER
M.N.70838

PLACE : KANPUR
DATED : 27-07-2010

FOR AND ON BEHALF OF THE BOARD

ARUN KEJRIWAL MANAGING DIRECTOR

SHARAD TANDON DIRECTOR

LALTA PRASAD DIXIT DIRECTOR

Profit & Loss Account for the Year ended on 31st March 2010

In Rs.

Schedule No.	CURRENT YEAR	PREVIOUS YEAR
INCOME		
Interest (Nett)	1516206.00	1249379.00
Dividend	12106.75	13297.75
Sale of Share	1600000.00	0.00
Rent	0.00	117600.00
TOTAL	3128312.75	1380276.75
EXPENDITURE		
Administrative Expenses "9"	262238.71	313911.53
Depreciation	11501.84	79134.21
Decrease In Stock	1600000.00	0.00
Bad Debts	1161746.00	0.00
TOTAL	3035486.55	393045.74
PROFIT / (LOSS)		
Profit/(Loss) During the year	92826.20	987231.01
Fringe Benefit Tax	0.00	-462.00
Fringe Benefit Tax of Previous Year	0.00	-400.00
Deferred Tax Assets / (Liability)	-986.00	13621.00
Current Year Income Tax	-32309.00	0.00
Profit/(Loss) Carried to Balance Sheet	59531.20	999990.01
Face Value per Share - Rs. 10/-		
Earning Per Share (Basic & Diluted) Rs. (Note No. 8 of Schedule '10' of Notes to Accounts)	0.02	0.32

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR CHAUDHARY PANDIYA & CO.
CHARTERED ACCOUNTANTS

(GANESH CHAUDHARY)

PARTNER
M.N.70838PLACE : KANPUR
DATED : 27-07-2010

FOR AND ON BEHALF OF THE BOARD

ARUN KEJRIWAL

MANAGING DIRECTOR

SHARAD TANDON

DIRECTOR

LALTA PRASAD DIXIT

DIRECTOR

Schedule forming part of Balance Sheet

		In Rs.	
		CURRENT YEAR	PREVIOUS YEAR
Schedule "1"			
SHARE CAPITAL			
Authorised 3500000 Equity Share of Rs. 10/- Each		-	-
		35000000.00	35000000.00
<u>Issued, Subscribed & Paid Up.</u>			
3051900 Equity Share of Rs. 10/-		<u>30519000.00</u>	<u>30519000.00</u>
TOTAL		<u>30519000.00</u>	<u>30519000.00</u>
Schedule No. 2			
Reserve and Surplus			
Net Profit of the year	59531.20		
Add:- Balances as per last Balance Sheet	<u>554815.77</u>	<u>614346.97</u>	<u>554815.77</u>
TOTAL		<u>614346.97</u>	<u>554815.77</u>
Schedule No. 4			
INVESTMENTS			
U. P. Stock Exchange Association Ltd Member Ship		1000000.00	1000000.00
Long Term Investment (As Per Annexure)			
Quoted Equity Shares (Mkt Value-791432.01)	405867.05		
Unquoted Equity Shares	5000000.00		
Unquoted Debentures	<u>0.00</u>	<u>5405867.05</u>	<u>5405867.05</u>
Heritage of Sterling Holiday		<u>145100.00</u>	<u>145100.00</u>
TOTAL		<u>6550967.05</u>	<u>6550967.05</u>
Schedule No. 5			
SUNDRY DEBTORS			
More Than Six Months		1697674.09	3876670.26
Less Than Six Months		<u>665000.00</u>	<u>0.00</u>
GRAND TOTAL		<u>2362674.09</u>	<u>3876670.26</u>
Schedule No. 6			
CASH AND BANK BALANCES			
Cash balance on Hand		297859.25	55003.25
Balance with Scheduled Bank in Current A/c		296357.89	109962.55
Standard Chartered Bank FDR including accrued interest		138533.12	129626.12
Balance with Other Bank Nainital Bank Ltd. Current A/c		<u>3986.22</u>	<u>4372.52</u>
TOTAL		<u>736736.48</u>	<u>298964.44</u>
Schedule No. 7			
LOANS (UNSECURED)			
OTHER ADVANCES		20076113.42	17852510.42
GRAND TOTAL		<u>21495160.23</u>	<u>19515070.23</u>
Schedule No. 8			
CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors		50532.00	850532.00
Fringe Benefit Tax Payable		0.00	462.00
Provision :-			
Deffered Tax Liability		3279.00	2293.00
Provision For Income Tax		<u>32309.00</u>	<u>0.00</u>
TOTAL		<u>86120.00</u>	<u>853287.00</u>

Schedule Forming Part of Profit & Loss Account

		CURRENT YEAR	PREVIOUS YEAR
Schedule No. 9			
ADMINISTRATIVE EXPENSES			
Audit Fee		19950.00	19950.00
Bank Charges		12260.30	14662.80
Misc Balance Written Off		0.00	8790.17
Legal Expenses		37049.00	45370.00
Listing Fee & UPSE Charges		20730.00	21184.00
Postage & Telephone		11084.41	2384.56
Printing & Stationary		12000.00	0.00
Rent		42000.00	42000.00
Misc Exp.		800.00	1000.00
Office Maintanance		20511.00	0.00
U.P.S.E. Expences		662.00	4000.00
Computer Maintanance		830.00	2170.00
Advertisement Expenses		6714.00	6800.00
U.P.S.E. Annual Charges		17648.00	25600.00
Managing Director Salary		<u>60000.00</u>	<u>120000.00</u>
TOTAL		<u>262238.71</u>	<u>313911.53</u>

FIXED ASSETS 31-03-2010

Schedule '3'

S.N. ASSETS	Rate of Dep.	GROSS BLOCK AS ON 01.04.2009	ADDITIONS	TOTAL	AS AT 31-03-2010	DEPRECIATION FOR THE YEAR	NET BLOCK		
							AS AT 31.03.2010	AS AT 31.03.2009	
1 GENERATOR	4.75%	30000.00	-	30000.00	18754.35	1425.00	20179.35	9820.65	11245.65
2 OFFICE EQUIPMENT	4.75%	16947.39	-	16947.39	9614.37	805.00	10419.37	6528.02	7333.02
3 EPABX	4.75%	15000.00	-	15000.00	9377.16	712.50	10089.66	4910.34	5622.84
4 AIR CONDITIONERS	4.75%	20000.00	-	20000.00	12503.17	950.00	13453.17	6546.83	7496.83
5 FURNITURE & FIXTURES	6.33 %	26191.08	-	26191.08	26190.08	0.00	26190.08	1.00	1.00
6 COMPUTERS	16.21%	461675.00	-	461675.00	454064.66	7609.34	461674.00	1.00	7610.34
TOTAL : RS.		569813.47	0	569813.47	530503.79	11501.84	542005.63	27807.84	39309.68
Previous Year :-		569813.47	0	569813.47	451369.58	79134.21	530503.79	39309.68	

INVESTMENT IN SHARES (AS ON 31.03.2010)

<u>SCRIPT NAME</u> <u>EQUITY SHARE QUOTED</u>	<u>FACE</u> <u>VALUE</u>	<u>QTY</u> <u>AS ON</u> <u>31.3.10</u>	<u>COST</u> <u>31.3.10</u>	<u>MARKET</u> <u>VALUE</u> <u>31.3.10</u>	<u>QTY</u> <u>AS ON</u> <u>31.3.09</u>	<u>COST</u> <u>31.3.09</u>
ANIL CHEMICAL LIMITED	10	100	1960.00	1960.00	100	1960.00
BATA INDIA LIMITED	10	72	4451.50	16452.00	72	4451.50
BETANEPHOL LIMITED	10	100	3600.00	3600.00	100	3600.00
BRITANNIA INDUSTRIES LTD	10	6	1089.06	9597.00	6	1089.06
COLGATE INDIA LIMITED	10	16	4406.63	10804.00	16	4406.63
CENTUM ELECTRONICS	10	250	0.00	24950.00	250	0.00
D.C.L.MARITECH LIMITED	10	100	775.00	775.00	100	775.00
E.MERCK LIMITED	10	54	4050.00	33585.30	54	4050.00
FIDILITY INDUSTRIES LTD	10	1200	59400.00	59400.00	1200	59400.00
FLORAWALL COVERING LTD	10	4500	13500.00	13500.00	4500	13500.00
HERO HONDA MOTOR LTD	10	150	6420.00	291382.50	150	6420.00
HIND EVERST TOOLS LTD	10	280	2950.00	6426.00	280	2950.00
HILTON RUBBER LIMITED	10	500	6850.00	10375.00	500	6850.00
HINDALCO INDUSTRIES LTD	10	385	33060.00	69954.50	385	33060.00
INDIAN HOTELS LIMITED	10	20	988.00	2051.00	20	988.00
INVELL TRANSMISSION LTD	10	700	68755.00	68755.00	700	68755.00
ISPAT PROFILE LIMITED	10	362	1991.00	253.40	362	1991.00
KESORAM TEXTILES LTD (BONUS)	10	116	0.00	29.00	116	0.00
KOTHARI INDUSTRIES LTD	10	100	16025.00	140.00	100	16025.00
MAHARASTRA SAFTY LTD	10	500	11136.36	11136.36	500	11136.36
MATHER & PLATT NEW	10	13	285.00	186.55	13	285.00
SECALS INDIA LIMITED	10	175	11025.00	11025.00	175	11025.00
SHAAN INTERWELL LIMITED	10	900	56925.00	56925.00	900	56925.00
SOLETRON E M S INDIA	10	250	0.00	15375.00	250	0.00
SUDARSHAN CHEMICAL LTD	10	80	21400.00	31456.00	80	21400.00
SWILL INDIA LIMITED	10	76	4256.00	1565.60	76	4256.00
TARAI FOOD LIMITED	10	350	5600.00	1092.00	350	5600.00
PARAMOUNT COSMATICS	10	300	13950.00	3606.00	300	13950.00
VARUN POLY LIMITED	10	1128	7332.00	7332.00	1128	7332.00
VIDEOCON INDUSTRIES LTD	10	122	43686.50	27742.80	122	43686.50
TOTAL		12905	405867.05	791432.01	12905	405867.05
<u>UNQUOTED SHARES</u>						
PREMEIR METCOST PVT.LTD	10	150000	1500000.00	0.00	150000	1500000
NEETI REAL ESTATE	10	50000	500000.00	0.00	50000	500000
GOKHELAY AGENCIES (P) LTD	100	6000	3000000.00	0.00	6000	3000000
TOTAL		206000	5000000.00	0.00	206000	5000000.00
8.25% SECURED REDEM NON <u>CONVERTABLE BONUS DEBENTURE</u> <u>UNQUOTED</u>						
BRITANNIA INDUSTRIES LIMITED		6	0.00	0.00	0	0.00
TOTAL		6	0.00	0.00	0	0.00
SUB TOTAL		218911	5405867.05	791432.01	218905.00	5405867.05

**NOTES FORMING PART OF THE ACCOUNTS
SCHEDULE '10'**

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention and on going concern basis.

1.2 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

1.3 DEPRECIATION

Depreciation is provided on straight line method as per schedule XIV of the companies Act 1956.

1.4 STOCK IN TRADE

1. Share, debentures, units & Securities are accounted under Stock in trade on trade dates.
2. The cost of stock in trade includes brokerage but does not include stamp duty which was charged to revenue.

1.5 VALUATION OF STOCK IN TRADE

Stock has been valued at cost instead of cost or market value which ever is lower because the company is doing business of shares & securities as broker of Stock Exchange.

1.6 INVESTMENT

The Investments are long term investment and are valued at cost since the company is doing business of shares & securities in share market therefore no provision is being made for diminution in the investments.

1.7 INCOME

- (a) In respect of contracts relating to shares without taking or giving deliveries profit or Losses are accounted for on squaring up dates.
- (b) Income from dealing in shares / Securities is recognized on the basis of matched contract of similar deliveries dates for purchase & sales entered during the year.
- (c) Dividend on investment in shares & Securities are accounted for on receipt basis.

1.8 EXPENSES

All expenses are accounted on accrual basis.

2. CONTINGENT LIABILITIES

2009-2010	2008-2009
NIL	NIL

2.1 Company purchased membership of U.P Stock Exchange Association Limited in the year 1995-96 for Rs. 10,00,000/- (face value Rs. 2000/- & Security deposit Rs. 10000/-)

There is no permanent diminution in the value of Investments as on 31st March, 2010 (Previous Year diminution is Rs. NIL) as per the guidelines of AS-13 issued by the ICAI Thus the company has valued investments at cost as The company is doing business of shares & securities & is a broker of Stock Exchange. The profit /loss will be accounted for on sale of these securities as it is the main business of the company. The company has not accounted for diminution of the investment of unquoted equity shares if any as it could not be ascertained in want of the final accounts of the companies in which investments are made, therefore market value of unquoted equity share is taken as nil..

2.2 During the year company has not done any business of Share & Investment of any kind except sale of Shares of Rs. 16,00,000/- out of opening stock in trade.

2.3 Company deposit & Withdraw shares & Securities as Margin money with U.P.S.E. Ltd. time to time as per norms of Stock Exchange.

2.4 Company invested Rs. 1,45,100/- in Holiday Resorts of sterling Securities Ltd. and valued at cost (Market value not known).

2.5 Debtors, Creditors, Loans & Advances accounts are subject to confirmation. Debts due to Mr. Arun Kejriwal, Managing Director Rs. 665000/- & maximum balance during the year Rs. 1600000/-

- 2.6 In our opinion the debtors outstanding for more than six months amounting to Rs. 16.98 Lacs (Previous Year) 38.77 Lacs) seems to be irrecoverable but has not been provided for as the management informed that they are recoverable. The management has written off one account of Rs. 11.62 lacs as bad debts during the year. The loan given to six parties amounting Rs. 33.15 lacs were outstanding since long & seems irrecoverable but management informed, that these loans are recoverable and has taken steps to realise the same.
- 2.7 Based on information available with the company as at March 31, 2010 there are no dues to Micro, Small & Medium Enterprises Development Act, 2006 as at March 31, 2010. Based on the information available with the company as at 31st March, 2010, there was neither any interest payable nor paid to any supplier under the aforesaid Act & similarly there is no such amount remaining unpaid as at March 31, 2010.
3. Payment of Auditors 2009-2010 2008-2009
 Audit Fee including service tax Rs.19950.00 Rs. 19950.00
4. Quantitative information of Opening Stock, Purchases, Sales and Closing Stock.

	Current Year		Previous Year	
	No. of Shares	Amounts (Rs.)	No of Shares	Amounts (Rs.)
Opening Stock	* 43340	1646121.28	43340	16,46,121.28
Purchases	NIL	NIL	NIL	NIL
Sales	40000	1600000.00	NIL	NIL
Closing Stock*	* 3340	46121.28	* 43340	16,46,121.28

*Closing stock of equity shares of A B B Limited is 70 shares of Rs. 2/- each insted of 14 equity shares of Rs. 10/- each due to corporate action of the company.

The company has received 250 equity shares of centum electronics & 250 equity shares of solectron EMS India in demate account of the company the details of receipt of those shares are not available as these are neither purchase nor any other transaction.

5. Impairment of Assets :-
 The indicators listed in paragraph 8 to 10 of accounting standard (AS-28) " Impairment of Assets" issued by the Institute of Chartered Accountants of India have been examined and on such examination, it has been found that none of the indicators are present in the case of the company.
6. Related Party Disclosures :-
- A. Related Party & their relationship as per accounting standard 18 of the Institute of Chartered Accountants of India.
1. Directors :
- Arun Kejriwal
 Sharad Tandon
 Lalta Prasad Dixit
 T.N.Agarwal
 Shiv Kumar Trivedi
2. Enterprises in which key management personal & their relatives are interested:-
- a) Vrindavan Construction Pvt Ltd. Mr. Arun Kejriwal Managing Director of the company is a director in this company.
- b) Relatives of Directors :- W/o Mr. Arun Kejriwal
Sister of Mr. Arun Kejriwal
 Mrs. Nisha Kejriwal
 Mrs. Shalini Kejriwal

Vikalp Securities Ltd.

B. Transaction during the period with related parties are as under :-

Particulars	Subsidiaries	Associates (Rs.)	Key Management Personal and their relatives (Rs.)	Total (Rs.)	Previous Year
Loan taken	----	----	----	----	3635000.00
Repaid	----	----	800000.00	800000.00	2835000.00
Advance Given	----	231285.00	325000.00	556285.00	231285.00
Remuneration	----	----	60000.00	60000.00	120000.00
Sale of Share	----	----	1600000.00	1600000.00	----

Note :-

7. (i) The company has provided deferred tax liability as per the guidelines provided by accounting standard-22 issued by the Institute of Chartered Accountants of India. The Deferred tax Liability due to timing difference of depreciation is Rs. 986/-
- | | |
|--|-----------------|
| Opening Balance of Deferred Tax Liability | Rs. 2293.00 |
| Add:-Deferred tax Liability of current year due to timing difference of depreciation | Rs. 986.00 |
| Deferred Tax Liability | Net.Rs. 3279.00 |

- (ii) The company has Income Tax Liability during the year amounting Rs.32309/- as per the provisions of Income Tax Act, 1961.

8. Earning Per Share

Earning Per Share. The E.P.S. of the company as per guidelines of AS-20 issued by the Institute of Chartered Accountants of India is as :-

	C.Y	P.Y
Net Profit after tax (before adjustment of extraordinary item)	59531.68	999990.01
No. of Equity Shares	3051900	3051900
Basic & Diluted EPS	0.02	0.32

9. Employee Benefit : Since the Company do not have any employee except Managing Director during the year provision of Gratuity, Leave encashment & other benefits are not required as per the recommendations of Accounting Standard (AS-15) prescribed by the Institute of Chartered Accountants of India.
10. The other applicable accounting standard as per the provision of Companies Act, has been followed by the company.
11. Previous year figures have been regrouped/rearranged wherever necessary, to make them comparable.

Signature to Schedules and Notes to the Accounts.

FOR CHAUDHARY PANDIYA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

GANESH CHAUDHARY
PARTNER
M.No. 70838

ARUN KEJRIWAL
(MANAGING DIRECTOR)

SHARAD TANDON
(DIRECTOR)

PLACE : KANPUR
DATE : 27-07-2010

LALTA PRASAD DIXIT
(DIRECTOR)

**NOTES FORMING PART OF THE ACCOUNTS
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE - PART IV**

1.	REGISTRATION DETAILS		
	Registration No. 7727	State Code	20
	Balance Sheet Date		
	31 03 2010		
	Date Month Year		
II	CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)		
	Public Issue	Right Issue	
	NIL	NIL	
	Bonus Issue	Private Placement	
	NIL	NIL	
II	POSITION OF MOBILIZATION AND DEPLOYMENT OF FUND (AMT. IN RS. THOUSANDS)		
	Total Liabilities	Total Assets	
		(Net of current Liabilities)	
	31133	31133	
	SOURCES OF FUNDS		
	Paid up Capital	Reserves and Surplus	
	30519	614	
	Secured Loans	Unsecured Loans	
	NIL	NIL	
	APPLICATION OF FUND		
	Net Fixed Assets	Investments	
	28	6551	
	Net Current Assets	Miscellaneous Expenditure	
	24555	NIL	
	Accumulated Losses		
	NIL		
IV	PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)		
	Turnover	Total Expenditure	
	3128	3035	
	+-(Profit/(Loss) Before Tax	+-(Profit / (Loss) After Tax	
	93	59	
	Earning per Share in Rs. (Annualised)	Dividend Rate (%)	
	0.02	NIL	
V	EPS	2009-2010	2008-2009
	Profit during the year	59531.20	999990.01
	No. of Equity Shares O/S	3051900	3051900
	Basic & diluted Earnings per Share	0.02	0.32
VI	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)		
	Item Code No. (ITC Code)	Not Available	
	Product Description	(Share Broker Business)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

IN ACCORDANCE WITH THE REQUIREMENT UNDER CLAUSE 32 OF THE LISTING AGREEMENT OF THE BOMBAY STOCK EXCHANGE

	YEAR ENDED 31.03.2010 (RS. LAKHS)		YEAR ENDED 31.03.2009 (RS. LAKHS)	
(A) Cash Flow from Operating Activities				
Net Profit before tax and extraordinary items.		0.92		9.87
Add:-Depreciation	0.12		0.79	
Excess Income Tax Written Back	-		-	
Share Application Money W/O	-		-	
Foreign Exchange	-		-	
Investment/Others	-		-	
Interest/Dividend	-		-	
Unsecured Loans	-		-	
Miscellaneous Expenses	-		-	
Miscellaneous Expenditure written off	-		-	
Less:- Previous year income written back	0	0.12	0	0.79
		1.04		10.66
Operating Profit before working Capital Changes				
Adjustment for :-				
Trade and other receivables	-4.66		-2.14	
Inventories	16		0	
Trade Payables	-7.67		-12.99	
Investment	0	3.67	0	15.13
Cash generated from operations		4.71		-4.47
Direct Taxes STT & Income Tax FBT & Deferred Tax		-0.33		0.13
Interest Paid				
Secured Loans				
Miscellaneous expenses to the extent not written off				
Cash flow before extraordinary items		4.38		-4.34
Extraordinary items:				
Compensation of Termination of Joint venture agreement				
Net Cash from Investing Activities				
Purchase of Fixed Assets		0		0
Sale of Fixed Assets				
Investment in Subsidiary & Co.				
Purchase on Investment				
Unsecured Loans				
Interest Received		-		-
Dividend received				
Cash Flow from Financing Activities				
Net cash used in investing Activities		4.38		-4.34
(B) Cash Flow from Financing Activities :				
Proceeds from issue of shares Capital				
Proceeds from Long Term Borrowings				
Dividend Paid				
Net Cash from Financing Activities:				
Net Increase in Cash & Cash Equivalents	4.38		-4.34	
Cash & Cash Equivalents-Opening Balance	2.99		7.33	
Cash & Cash Equivalents-Closing Balance	7.37		2.99	

PLACE : KANPUR
DATE : 27-07-2010

FOR VIKALP SECURITIES LIMITED
(ARUN KEJRIWAL)
MANAGING DIRECTOR

AUDITORS CERTIFICATE

We have examined the above cash flow statement of VIKALP SECURITIES LIMITED for the period ended 31st March 2010. The Statement has been prepared by the Company in accordance with the listing agreement clause 32 with the Bombay Stock Exchange and is based on and agreement with the corresponding Profit and Loss account and the Balance Sheet of the company converted by our report of to the members of the company.

FOR CHAUDHARY PANDIYA & CO.
CHARTERED ACCOUNTANTS

PLACE : KANPUR
DATED : 27-07-2010

(GANESH CHAUDHARY)
PARTNER
M.NO. 70838

M/S VIKALP SECURITIES LIMITED
26/73, KARACHI KHANA, KANPUR

ADMISSION SLIP

FOLIO NO _____ NO. OF SHARES _____

DP ID/CLIENT ID _____

NAME OF THE MEMBER _____

AUTHORISED REPRESENTATIVE _____

NAME OF THE PROXY _____

I hereby record my presence at the 24th Annual General Meeting of the Company being held on Thursday, 30th September, 2010 at 9.00 A.M. 26/73 Karachi Khana, Kanpur.

Signature of the Member/
Authorised Representative

Signature of
the Proxy

*Applicable for Investors holding shores in Shares form.

..... TEAR HERE

M/S VIKALP SECURITIES LIMITED.
26/73, KARACHI KHANA, KANPUR

PROXY FORM

FOLIO NO _____ NO. OF SHARES _____

DP ID/CLIENT ID* _____

I/WE _____

of _____ being a member/members of M/S Vikalp Securities Limited

hereby appoint _____ of _____ or failing him/her

_____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 9.00A.M and/or at any adjournment hereof.

Signed this _____ day of _____ 2010

Signature

Note : The Proxy in order to be effective should be completed, stamped and signed and must be deposited either at the Regd. Office of the Company or at the Corporate Office of the Company at least forty eight hours, before the schedule time of the meeting.

*Applicable for investors hording shares in demat form.

BOOK POST
U.P.C.

If undelivered please return to :
VIKALP SECURITIES LIMITED
26/73, Karachi Khana, Kanpur - 208 001 U.P.
Ph. : 0512-2372665