



# **Annual Report**

2011-12

●●● VIKALP SECURITIES LIMITED ●●●

Vikalp Securities Ltd.



**VIKALP SECURITIES LIMITED**  
**Twenty Sixth Annual Report**  
**2011-12**

**BOARD OF DIRECTORS** : (I) MR. ARUN KEJRIWAL, MANAGING DIRECTOR  
(II) MR. SHARAD TANDON  
(III) MR. ASHISH DIXIT  
(IV) MR. T. N. AGARWAL  
(V) MR. VINOD KUMAR SHARMA

**AUDITORS** : CHAUDHARY PANDIYA & CO.  
513, PLAZA KALPANA,  
24/147-B, BIRHANA ROAD,  
KANPUR - 208 001 U.P.

**BANKER(S)** : (I) STANDARD CHARTERED BANK, KANPUR  
(II) STATE BANK OF INDIA, BIRHANA ROAD, KANPUR

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

## Twenty Sixth Annual Report

### 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 2012.

#### FINANCIAL RESULTS

	<u>2011-2012</u>	<u>2010-2011</u>
Total Income	2654618.47	2487408.43
Profit before Interest, Depreciation & Tax	99842.24	422885.03
Less: Depreciation	36694.75	8096.00
Interest	00	00
PBT/(Loss) Before Tax	63147.49	414789.03
Fringe Benefit Tax	00	00
Deferred Tax Assets/(Liability)	6711	(6611)
Current Year Income tax	23613	(88838)
Prior Period Income/(Expenses)	00	(10759.72)
	46245.49	308580.31
Appropriation	00	00
General Reserve	00	00
Balance Carried to Balance Sheet	46245.49	308580.31

During the year under review, the total income of the Company is Rs. 2654618.47 as compared to previous year is Rs 2487408.43. The Company has generated a profit of Rs. 63147.49 as compared to profit of Rs. 414789.03 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 :

Mr. Tej Narain Agarwal and Mr. Vinod Kumar Sharma, directors of the company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

#### DIRECTORS' RESPONSIBILITY STATEMENT :

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

- I. That in the preparation of the annual accounts the applicable accounting standards had been followed and there are no material departures thereof.
- II. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2012 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 :

In relation to point number (f) of Auditor's Report and note number 24(a) of the Balance Sheet is Self Explanatory. Dividend is accrued on cash basis, since same accrues only when the amount is received otherwise there exist no mechanism to determine the date of declaration of dividend by the company. Thus the accruality stands postponed till date of receipt of dividend.

## **Vikalp Securities Ltd.**

### AUDITORS :

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

### LISTING ON STOCK EXCHANGES :

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

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

### CORPORATE GOVERNANCE :

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

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

### PARTICULARS OF EMPLOYEE(S) :

None of the Employee of the Company was in receipt of total remuneration of Rs 60, 00,000/- during the financial year under review or Rs.5, 00,000/- per month. Hence, the information under Section 217 (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 : 16<sup>th</sup> August 2012

By Order of the Board

(Arun Kejriwal)  
Managing Director

(Sharad Tandon)  
Director

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

**TO THE MEMBERS OF VIKALP SECURITIES LIMITED**

I have examined the compliance of the conditions of Corporate Governance by VIKALP SECURITIES LIMITED, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

FOR CHAUDHARY PANDIYA & CO.  
Chartered Accountants  
FRN001903C

Ganesh Chaudhary  
Partner  
(M.NO 70838)

PLACE : Kanpur  
Dated : 09.07.2012

## **Corporate Governance Report**

The Directors are pleased to present their 10th Corporate Governance report for the financial year 2011-2012, 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 and if the chairman is Non-Executive, at least one-third of the Board should consist of Independent Director. The Board of Directors of the Company includes eminent personalities various fields.

#### **Composition of Board of Directors :**

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

## Twenty Sixth Annual Report

### 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	4	Yes	246112 8.07%
2.	Shri Sharad Tandon	Non Executive Independent	4	Yes	NIL
3.	Shri T. N. Agarwal	Non Executive, Independent	4	Yes	NIL
4.	Shri Vinod K. Sharma	Non Executive, Independent	4	Yes	NIL
5.	Shri Ashish Dixit	Non Executive, Independent	4	Yes	NIL

### 4. OUTSIDE DIRECTORSHIPS AND MEMBERSHIP OF BOARD COMMITTEES :

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

#### Notes:

- Directorship held by Directors in other companies does not include alternate directorships, directorships in foreign companies, Section 25 and private limited companies.
- In accordance with Clause 49, Chairmanships/Memberships only in Audit Committee & Shareholders Grievance Committee of public limited companies have been considered for committee positions.
- None of the directors is a member in more than 10 committees and is not a Chairman in more than 5 committees across the Companies in which he is a director.  
The Annual general Meeting was held on 30th September 2011.  
NO Extra Ordinary General Meeting of the company was held on during the Financial Year.

#### 5. BRIEF PROFILE OF THE DIRECTORS:

Mr. Sharad Tandon (64 year) is the Director of our Company and also holds the position of Chairman of our Audit Committee. He has rich experience in the line of business in which he is engaged. As he belongs to a very creative sphere of the work so his visionary power will enhance the growth and future development of the company it is anticipated that he will lead the company towards the bright future. He has been a director of our company since 2001.

Mr. Arun Kejriwal (54 year) is the Managing Director of our company. He holds a bachelor degree in Commerce. He has wide knowledge and deep insight into security market and practical experience in the business field. Having deep insight into security market, he will be in a better position to guide and advocate on the various relevant issues concerning the company. Besides being the M.D. in our company, he is also a director of Ram coating & specialties private limited and Vrindavan constructions private limited. He has been a director of our company since 1986.

Mr. Tej Narain Agarwal (68 year) is the Director of our Company. He holds a bachelor degree in Technology. Besides being the Director in our company, he is also a director of Networks private limited, Netplast private limited and Macro leasing & Finance private limited. He has been a director of our company since 2004.

Mr. Vinod Kumar Sharma (43 year) is the Director of our Company. He holds a bachelor degree in Commerce. He has immense knowledge about security market, mutual fund and various other stock market areas. His presence is surely fruitful for the company, in attaining heights and will enable the company to reach pinnacles of success. He has been a director of our company since 2011.

## **Vikalp Securities Ltd.**

Mr. Ashish Dixit (32 year) is the Director of our Company. He holds a bachelor degree in commerce. He has a rich experience in the field of event management and has the capability of working under time bound projects and he is fond of having a deep study in the subject matter. As he belongs to the very imaginative sphere of work so his visionary power will enhance the growth and future development of the company. He has been a director of our company since 2010.

### **6. BOARD MEETING AND PROCEDURES :**

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

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

The Board duly met for a total of 4 (four) times during the year 2011-12, the dates on which the said meetings were held are 30th April 2011 , 10th August 2011, 31st October 2011, 31st January 2012. During the year all the requirements of clause 49 of the listing Agreement has been complied with. The information as required under Annexure IA to clause 49 has been made available to the Board.

#### **6A. Scheduling and selection of Agenda Items for Board Meetings :**

- (i) Minimum four Board meetings are held in each year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) The Company is encouraged to plan their functions well in advance, particularly with regards to matter requiring discussion / approval/ decision at the Board / Committee meetings.
- (iii) The Board has complete access to any information within the Company and with the employee of the Company. The information placed before the Board includes:-
  - 1) Annual operating plans and budgets and any updates.
  - 2) Capital budgets and any updates.
  - 3) Quarterly results for the company.
  - 4) Minutes of meetings of Audit committee and other Committees of the board as also resolutions passed by Circulation.
  - 5) The information on recruitment and remuneration of senior management personnel just below the Board level.
  - 6) Show cause, demand, prosecution notices and penalty notices which are materially important.
  - 7) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
  - 8) Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
  - 9) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
  - 10) Details of any joint ventures or collaboration agreement.
  - 11) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
  - 12) Significant labour problems and their proposed solutions and any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
  - 13) Sale of material nature, investments, subsidiaries, assets, which is not in normal course of business.
  - 14) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
  - 15) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
  - 16) Internal audit findings and external audit report.
- (iii) The Chairman of the Board and Practicing Company Secretary in consultation with other concerned team members of the senior management and finalizes the agenda papers for the Board meetings.

#### **6B. Board Material distributed in advance :**

- (i) Agenda and Notes on Agenda are circulated to the Directors, in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.
- (ii) In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.



## Twenty Sixth Annual Report

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

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

6D. Post Meeting Follow up Mechanism :

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

6E. Compliance :

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

6F. Board Meetings :

There were 4(four) Board meetings held during the financial year 2011-12 on 30th April 2011 , 10th August 2011, 31st October 2011, 31st January 2012. The gap between any two Board Meetings did not exceed four months. Leave of absence was granted to the non-attending directors on their request and noted in the attendance register.

7. BOARD COMMITTEES :

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

Board Committees

(A) Audit Committee

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

(i) The Composition as on 31<sup>st</sup> March 2012 was as under :-

Sl. No.	Names of Members	Designation	Executive/ Non Executive/ Independent	No. of Meetings attended during the year 2011-12
1	Shri Sharad Tandon	Chairman	Non Executive Independent	4
2.	Shri T.N. Agarwal	Member	Non Executive Independent	4
3.	Shri Ashish Dixit	Member	Non Executive Independent	4

The Chairman of the committee was present at the last Annual General Meeting held on 30th September 2011.

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

The audit committee met Four times during the year. The dates of the Audit Committee Meetings are 30th April 2011, 10th August 2011, 31st October 2011 and 31st January 2012. 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.

## Vikalp Securities Ltd.

### (ii) Terms of Reference

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

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

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

### (B) Shareholders'/ Investors' Grievances Committee

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

Composition as on 31/03/2012 was as under :-

Sl. No.	Names of Members	Executive/ Non Executive/ Independent	No. of Meetings attended during the year 2011-12
1	Shri Sharad Tandon	Non Executive Independent	4
2	Shri Arun Kejriwal	Executive	4

Compliance officer:

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

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

## Twenty Sixth Annual Report

### (C) Remuneration Committee

The Board has reconstituted Remuneration Committee, as and when required due to resignation and appointment of directors during the period under review comprising of Shri T.N. Agarwal, Mr. Ashish Dixit and Mr. Sharad Tandon and reconstituted the same comprising of Shri T.N. Agarwal and Mr. Vinod Kumar Sharma 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 31st March 2012 was as under: -

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. Vinod Kumar Sharma	Non Executive and independent	0
3.	Mr. Sharad Tandon	Non Executive and independent	0

The remuneration earned during the year 2011-2012 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.

### (D) Share Transfer Committee :

The Board has constituted Share Transfer Committee, comprising of Shri Arun Kejriwal, Shri Tej Narian Agarwal 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. However, there is no physical Transfer of Securities during the financial year. Therefore, the share transfer committee was not constituted

### 8. INTERNAL AUDIT SYSTEM

The Company has a robust system for internal audit and assesses corporate risk on an ongoing basis. The Audit committee of the Board periodically reviewed the audit observation and necessary directions are issued, whenever required.

### 9. CODE OF CONDUCTS FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The company has adopted a Code of Conduct for its directors and senior management personnel. This code is a comprehensive code applicable to all Directors (Executive as well as Non- Executive) as well as senior Management. He code lays down, in details, the standards of business conduct ethics and governance.

The code has been circulated to all the members of the Board and senior management and the compliance of the same has been affirmed by them annually. A declaration signed by the Chairman & Managing Director is enclosed herewith.

### 10. CEO/CFO CERTIFICATION

The CEO has certified to the Board, interlia the accuracy of financial statements and adequacy of Internal controls for the financial year ended march 31, 2012, as required under clause 49(v) of the Listing Agreement

### 11. GENERAL BODY MEETINGS

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

Sl. No.	AGM Particulars	Date	Venue	Time
1	2010-11	30th September 2011	26/73 Karachi Khana Kanpur	11 a.m.
2	2009-10	30th September 2010	26/73 Karachi Khana Kanpur	11 a.m.
3	2008-09	30th September 2009	26/73 Karachi Khana Kanpur	11 a.m.

## Vikalp Securities Ltd.

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

Annual General Meetings	No. of Special Resolutions
2010-11	No Resolution
2009-10	No Resolution
2008-09	No Resolution
2007-08	Re-appointment of Managing Director

No item of business, which required the member's approval through postal ballot, was transacted during 2011-2012. Accordingly, the Companies (Postal Ballot) Rules, 2001 are not applicable to the Company during the said year.

### 12. 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 number 28 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.

### 13. 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.

### 14. 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 31<sup>st</sup> March 2012 :

S.No.	Category	Shares Held	% Shareholding
1	Promoters and Promoters Group	1447900	47.44
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	357300	11.71
6	Indian Public	1244700	40.78
7	NRIs/OCBs	2000	0.07
8	Clearing Members	00	00
<b>TOTAL</b>		<b>3051900</b>	<b>100%</b>

### 15. General Shareholding Information

Sl. No.	Silent items of Interest	Particulars
1.	AGM date, time and venue	28th September 2012, 9 am, Registered Office

## Twenty Sixth Annual Report

2.	Financial Calendar	<p>Financial Year: April 1, 2011 to March 31, 2012</p> <p>Financial Results for the first quarter End of July 2011</p> <p>Financial Results for the second quarter End of October 2011</p> <p>Financial Results for the third quarter End of January 2012</p> <p>Financial Results for the Fourth quarter End of April 2012</p>
3.	Date of Book Closure	The Share Transfer Book and Register of Members will remain closed from on 25th September to 28th September 2012.
4.	Dividend Payment Date	No interim dividend was declared during the year 2011-12 and the Directors have not recommended any dividend on equity shares for financial 2011-12 in ensuing Annual General Meeting.
5.	Listing on Stock Exchanges	<p>The equity shares of the company are listed at</p> <ol style="list-style-type: none"> <li>1. U P Stock Exchange, Uttar Pradesh</li> <li>2. Bombay Stock Exchange, Mumbai</li> <li>3. Calcutta, Stock Exchange, Kolkata</li> <li>4. Delhi Stock Exchange, Delhi</li> </ol> <p>*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.</p>
6.	Stock Code	A256 / A1 / A4 / A2
7.	Registrar & Share Transfer Agents	Skyline Financial Services Private Limited
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

**Vikalp Securities Ltd.**

### **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, 2012.

Place : Kanpur  
Date : 16th August, 2012

**Arun Kejriwal**  
Managing Director

### **CEO CERTIFICATION**

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

#### Financial Statements for the year 2011-2012-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, 2012 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, 2012 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 : 16th August, 2012

**Arun Kejriwal**  
Managing Director

## Twenty Sixth Annual Report

### 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, 2012. 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.
- 3) The Company being a Public Limited Company has the minimum prescribed paid-up capital.
- 4) The Board of Directors duly met 4 times respectively on 30th April 2011, 10th August 2011, 31st October 2011, 31st January 2012. In respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
- 5) The Company has closed its Register of Members from 27th September 2011 to 30th September 2011 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, 2011 was held on 30th September 2011 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) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has not 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, as explained to us there is an advance but not in nature of Loan.
- 9) The company has not 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. There was no physical transfer, transmission or allotment of securities during the financial year. Therefore, the question of delivery of Share Certificate did not arise.
  - 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.
- 14) The Board of Directors of Company is duly constituted. There was no appointment of director, alternate directors, additional directors or directors to fill the casual vacancy during the financial year.

**Vikalp Securities Ltd.**

- 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 other 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 amount borrowed by the company from directors during the financial year ending 31st March 2012 is within a paid up capital & free reserves of the company.
- 25) Since 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 : 9<sup>th</sup> July 2012

SIGNATURE

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 31<sup>st</sup> March 2012.

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	24.10.2011	Yes	No
2	Form 23AC xbrl And Form 23ACA xbrl	220	Balance Sheet (Sch. VI) As at and Profit & Loss Account for the year ended 31.03.10	03.11.2011	Yes	No
3	Form 20B	159	Annual Return Made up to 30.09.2010	9.11.2011	Yes	No

(ii) Other Authorities - Nil

**Vikalp Securities Ltd.**

**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 2012 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. Except accounting standard AS 9 relating to income recognition in respect of dividend income as per note No. 1.7 (C) of Annexure-1.
- 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 2012, 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 the debtors outstanding for more than six months amounting to Rs. 1.09 lacs and loan given to two parties amounting to Rs. 15.75 lacs were outstanding since long and seems to be irrecoverable and if the provisions for aforesaid doubtful debts and loans have been made then loss of the company would have been Rs. 16.21 lacs instead of profit of Rs. 0.63 lacs.
- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2012.
- (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.

Yours faithfully,

FOR CHAUDHARY PANDIYA & CO.  
CHARTERED ACCOUNTANTS  
FRN 001903C

GANESH CHAUDHARY  
M.N.70838  
PARTNER

DATE : 09.07.2012  
PLACE : KANPUR

## Twenty Sixth Annual Report

### 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 dematerilised 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, whose maximum balance at any time during the year is Rs. 231285/- 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/-only.
  - (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. 9959000/- and the balance outstanding at the end of year in Rs. 9959000/-.  
(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.
- 6) The company has not accepted any deposits from the public.

**Vikalp Securities Ltd.**

- 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 preceding 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 : 09.07.2012

**BALANCE SHEET AS AT 31ST MARCH 2012**

Particulars	Note No.	As at 31.03.2012 Amount Rs.	As at 31.03.2012 Amount Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	1	30519000.00	30519000.00
Reserve and Surplus	2	969172.77	922927.28
<b>(2) Non - Current Liabilities</b>			
Deferred Tax Liabilities	3	3179.00	9890.00
Other Long Term Liabilities	4	28832.00	28832.00
<b>(3) Current Liabilities</b>			
Short Term Borrowing	5	9959000.00	4215000.00
Other Current Liabilities	6	50531.00	132656.00
Short Term Provisions	7	4154.00	11166.00
<b>TOTAL</b>		<b>41533868.77</b>	<b>35839471.28</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible assets	8	43032.09	79726.84
(b) Non Current Investment	9	6476800.55	6476800.55
(c) Long Term Loans & Advances	10	12844175.42	11704252.42
(d) Other non Current Assets	11	199331.13	199331.13
<b>(2) Current Assets</b>			
(a) Inventories	12	42251.28	42251.28
(b) Trade Receivables	13	0.00	940872.20
(c) Cash & Cash Equivalents	14	1640975.52	920115.21
(d) Short Term Loans & Advances	15	20287302.78	15476121.65
<b>TOTAL</b>		<b>41533868.77</b>	<b>35839471.28</b>

The Notes form an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE  
FOR CHAUDHARY PANDIYA & CO.  
CHARTERED ACCOUNTANTS  
FRN 001903C  
(GANESH CHAUDHARY)  
PARTNER  
M.N.70838

FOR AND ON BEHALF OF THE BOARD  
VIKLAP SECURITIES LTD.  
ARUN KEJRIWAL                      MANAGING DIRECTOR  
SHARAD TANDON                      DIRECTOR  
ASHISH DIXIT                              DIRECTOR

PLACE : KANPUR  
DATED : 09.07.2012

**Vikalp Securities Ltd.**

**PROFIT & LOSS FOR THE YEAR ENDED 31-03-2012**

Particulars	Note No.	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
I. Other Income	16	2654618.47	2487408.43
<b>Total Revenue</b>		<b>2654618.47</b>	<b>2487408.43</b>
<b>II. Expenses</b>			
Purchase of Stock in Trade		0.00	180423.50
Changes in inventories of finished goods		0.00	3870.00
Employee benefits expense	17	144000.00	96000.00
Depreciation and amortization expenses		36694.75	8096.00
Other Expenses	18	2410776.23	1794989.62
<b>Total Expenses</b>		<b>2591470.98</b>	<b>2083379.12</b>
<b>III. Profit Before exceptional items and tax) (I-III)</b>		<b>63147.49</b>	<b>404029.31</b>
IV. Exceptional Items		0.00	0.00
<b>Profit before tax</b>		<b>63147.49</b>	<b>404029.31</b>
<b>V. Profit before Tax (III-IV)</b>		<b>63147.49</b>	<b>404029.31</b>
VI. Tax Expenses			
(1) Current Tax		23613.00	-88838.00
(2) Deferred Tax Assets / (Liability)		6711.00	-6611.00
<b>VII. Profit/ (Loss) for the period from continuing operations ( V-VI )</b>		<b>46245.49</b>	<b>308580.31</b>
<b>VIII. Profit/ (Loss) for the period</b>		<b>46245.49</b>	<b>308580.31</b>
IX. Earning per equity share			
(1) Basic		0.02	0.11
(2) Diluted		0.02	0.11
<b>Weighted average number of shares outstanding</b>		<b>3051900</b>	<b>3051900</b>
The notes form the integral part of these financial statements			

AS PER OUR REPORT OF EVEN DATE

FOR CHAUDHARY PANDIYA & CO.  
CHARTERED ACCOUNTANTS  
FRN 001903C

(GANESH CHAUDHARY)

PARTNER  
M.N.70838

PLACE : KANPUR  
DATED : 09.07.2012

FOR AND ON BEHALF OF THE BOARD  
VIKLAP SECURITIES LTD.

ARUN KEJRIWAL                      MANAGING DIRECTOR

SHARAD TANDON                      DIRECTOR

ASHISH DIXIT                      DIRECTOR

**Twenty Sixth Annual Report**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

	YEAR ENDED 31.03.2012 (RS. LAKHS)		YEAR ENDED 31.03.2011 (RS. LAKHS)	
<b>(A) Cash Flow from Operating Activities</b>				
Net Profit before tax and extraordinary items.	-	0.63	-	4.15
Add:-Depreciation	0.37	-	0.08	-
Less:-Deferred Tax	0.06	-	-	-
Miscellaneous Expenditure written off	-	-	-	-
Less:- Previous year income written back	-	-	0.11	(0.03)
Less:- Extraordinary gross expenditure	-	0.31	-	-
Operating Profit before working Capital Changes	-	<u>0.94</u>	-	<u>4.12</u>
Adjustment for :-				
Trade and other receivables	(50.10)	-	(44.63)	-
Inventories	-	-	0.04	-
Trade Payables	<u>(0.89)</u>	-	0.96	-
Investment	-	<u>(50.99)</u>	0.74	(42.89)
Cash generated from operating Activities <b>( A )</b>	-	(50.05)	-	(38.77)
Direct Taxes STT & Income Tax FBT & Deferred Tax	-	<u>(0.17)</u>	-	(0.95)
Net cash from investing activities <b>( B )</b>	-	<u>(50.22)</u>	-	(39.72)
Cash flow from financing Activities				
Purchase of Fixed Assets	-	-	-	0.60
Unsecured Loans	-	57.43	-	42.15
Cash Flow from Financing Activities	-	-	-	41.55
Net cash from from Financing Activities <b>( C )</b>	-	57.43	-	-
Net increase/ (decrease) in cash and cash equivalents A+B+C	-	7.21	-	1.83
Net Increase/(decrease) in Cash & Cash Equivalents (Refer Note No.14)	-	7.21	1.83	-
Cash & Cash Equivalents-Opening Balance	-	9.20	7.37	-
Cash & Cash Equivalents-Closing Balance	-	16.41	9.20	-

Notes:-

- Figures in brackets represent cash out flows.
- The above Cash Flow statement has been prepared under the " Indirect Method " set out in Accounting Standard (AS)-3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.
- Previous year comparatives have been reclassified to confirm with current year's presentation wherever applicable.

AS PER OUR REPORT OF EVEN DATE

FOR VIKLAP SECURITIES LTD.

FOR CHAUDHARY PANDIYA & CO.  
CHARTERED ACCOUNTANTS

ARUN KEJRIWAL  
MANAGING DIRECTOR

(GANESH CHAUDHARY)  
PARTNER  
M.N.70838

PLACE : KANPUR  
DATED : 09.07.2012

## Note forming part of Balance Sheet

In Rs.

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
<b>Note No. "1"</b>				
<b>SHARE CAPITAL</b>				
Authorised				
1. 3500000 Equity Share of Rs. 10/- each		35000000.00		35000000.00
Issued,Subscribed & Paid Up.				
2. 3051900 Equity Share of Rs. 10/-each fully paid		30519000.00		30519000.00
3. Details of shareholders holding more than 5 % of the aggregate shares in the company				
<b>Name of Shareholders</b>	<b>No. of share held as on 31.03.2012</b>	<b>Percentage of Share held</b>	<b>No. of share held as on 31.03.2011</b>	<b>Percentage of Share held</b>
Arun Kejriwal	246112	8.07	236812	7.76
Krishnaditya Kejriwal	165800	5.43	0	0
Nisha Kejriwal	830988	27.23	830988	27.23
4. Right, Preferences and Restrictions attached to Equity Share:- The company has one class of equity shares having a par value of R s. 10 per share each. Shareholder is eligible for one vote per held in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion of their shareholding.				
<b>Note No. 2</b>				
<b>Reserve and Surplus</b>				
Opening Balances as per last Balance Sheet	922927.28			
Add: Net Profit of the year	46245.49	969172.77		922927.28
<b>TOTAL</b>		<b>969172.77</b>		<b>922927.28</b>
<b>Note No.3</b>				
<b>Deffered Tax Liability (Net)</b>				
Opening Balance of Deferred Tax Liability	9890.00			
Less:-Deferred tax Assets of current year due to timing difference of depreciation	-6711.00			
<b>Deffered Tax Liability Net.</b>		3179.00		9890.00
Income Tax		0.00		0.00
<b>TOTAL</b>		<b>3179.00</b>		<b>9890.00</b>
<b>Note No.4</b>				
<b>Other Long Term Liabilities :-</b>				
Skyline Financial Services Pvt.Ltd.		28832.00		28832.00
<b>TOTAL</b>		<b>28832.00</b>		<b>28832.00</b>
<b>Note No.5</b>				
<b>Short Terms Borrowings( from key managment personnal)</b>				
Arun Kejriwal (Refer Note No.28)		9959000.00		4215000.00
<b>TOTAL</b>		<b>9959000.00</b>		<b>4215000.00</b>
<b>Note No.6</b>				
<b>Other Current Liabilities</b>				
Chaudhary Pandiya & Co.		50531.00		43818.00
Provision for Income Tax		0.00		88838.00
<b>TOTAL</b>		<b>50531.00</b>		<b>132656.00</b>
<b>Note No.7</b>				
<b>Short Term Provisions</b>				
Telephone Expences Payable		3302.00		8365.00
Electric Expences Payable		852.00		2801.00
<b>TOTAL</b>		<b>4154.00</b>		<b>11166.00</b>



**Twenty Sixth Annual Report**

**Depreciation chart as per Companies Act for the year ended 31-03-2012**

Note No.8

Assets	Rate	Gross Block as on 01.04.2011	Additions	Total	Depreciation		Total	Net Block	
					As at 31.03.2011	For The Year		As at 31.03.2012	As at 31.03.2011
1 GENERATOR	4.75%	30000.00	-	30000.00	21604.35	1425.00	23029.35	6970.65	8395.65
2 OFFICE EQUIPMENT	4.75%	16947.39	-	16947.39	11224.37	805.00	12029.37	4918.02	5723.02
3 EPABX	4.75%	15000.00	-	15000.00	10802.16	712.50	11514.66	3485.34	4197.84
4 AIR CONDITIONERS	4.75%	20000.00	-	20000.00	14403.17	950.00	15353.17	4646.83	5596.83
5 TELEPHONE	4.75%	24700.00	-	24700.00	517.50	1173.25	1690.75	23009.25	24182.50
6 FURNITURE & FIXTURES	6.33%	26191.08	-	26191.08	26190.08	0.00	26190.08	1.00	1.00
7 COMPUTERS	16.21%	496990.00	-	496990.00	465360.00	31629.00	496989.00	1.00	31630.00
<b>TOTAL</b>		<u>629828.47</u>	<u>0.00</u>	<u>629828.47</u>	<u>550101.63</u>	<u>36694.75</u>	<u>586796.38</u>	<u>43032.09</u>	<u>79726.84</u>
P.Y.		<u>569813.47</u>	<u>60015.00</u>	<u>629828.47</u>	<u>542005.63</u>	<u>8096.00</u>	<u>550101.63</u>	<u>79726.84</u>	

**Non Current Assets**

**Note No.9**

**Non Current Investments**

**INVESTMENTS**

(i) U.P.Stock Exchange Association Ltd Member Ship	1000000.00	1000000.00
(ii) Long Term Investment in Shares		

(Trade Investment)

Quoted Equity Shares & Shares of Rs. 10/- each unless otherwise specified	Qty.	Cost as On 31.03.2012	Market Value as on 31.03.2012	Cost as On 31.03.2011
ANIL CHEMICAL LIMITED *	100	1960.00	0.00	1960.00
BETA NEPTHOL LIMITED	100	3600.00	665.00	3600.00
BRITANNIA INDUSTRIES LTD	30	1089.06	17775.00	1089.06
COLGATE INDIA LIMITED	16	4406.63	17485.00	4406.63
D.C.L.MARITECH LIMITED	100	775.00	40.00	775.00
E.MERCK LIMITED	54	4050.00	32616.00	4050.00
FIDILITY INDUSTRIES LTD	1200	59400.00	5220.00	59400.00
FLORA WALL COVERING LTD	4500	13500.00	9000.00	13500.00
HILTON RUBBER LIMITED	500	6850.00	450.00	6850.00
INDIAN HOTELS LIMITED	20	988.00	1277.00	988.00
INVELL TRANSMISSION LTD	700	68755.00	37205.00	68755.00
ISPAT PROFILE LIMITED	362	1991.00	1393.70	1991.00
KESORAM TEXTILES LTD (BONUS) *	116	0.00	0.00	0.00
KOTHARI INDUSTRIES LTD	100	16025.00	120.00	16025.00
MAHARAstra SAFTY LTD *	500	11136.36	0.00	11136.36
SECALS INDIA LIMITED	175	11025.00	315.00	11025.00
SHAAN INTERWELL LIMITED	900	56925.00	900.00	56925.00
SWILL INDIA LIMITED *	76	4256.00	0.00	4256.00
PARAMOUNT COSMATICS	300	13950.00	4551.00	13950.00
VARUN POLY LIMITED	1128	7332.00	3158.40	7332.00
VIDEOCON INDUSTRIES LTD	122	43686.50	20923.00	43686.50
		<u>331700.55</u>		<u>331700.55</u>

## Vikalp Securities Ltd.

### (iii.) Non Trade Investment

#### Equity (Unquoted)

(Shares of Rs.10/-each, unless otherwise specified )

PREMEIR METCOST PVT. LTD	150000	1500000.00	1500000.00
NEETI REAL ESTATE	50000	500000.00	500000.00
8.25% NCD Secured Redemable debenture	6		
Britannia Industries Ltd. (Bonus Debenture Rs. 170/- each			
GOKHELAY AGENCIES (P) LTD	6000	3000000.00	3000000.00
(Shares of Rs.100/-each, unless otherwise specified )			
		<u>5000000.00</u>	<u>5000000.00</u>
<b>(iv.) Longterm Investment on time sharing basis</b>			
Holiday Resort of Sterling Securities Ltd.		145100.00	145100.00
(Refer Note No. 22)			
<b>TOTAL</b>		<u><b>6476800.55</b></u>	<u><b>6476800.55</b></u>

\* Note:- The market value of the Four companies are not known as these are not traded in the market in the current year.

### Note No.10

#### Long Term Loans & Advances

#### LOANS (Unsecured considered goods)

(Recoverable in Cash or in Kind or for value to be received)

Vibhash Agarwal		500000.00	500000.00
Anup Mehrotra		500000.00	560000.00
Asia Corp Securities Ltd.		500000.00	500000.00
D.N.Mehrotra		700000.00	784000.00
V.V.S.Concost		1075000.00	1075000.00
M.G.Construction		1499999.42	1661999.42
Arihant Techonopack Pvt. Ltd.		864800.00	864800.00
Ganga Auto Finance		540500.00	540500.00
Amar Nath Agarwal H.U.F		150000.00	192152.00
Siddharth Jaiswal		545000.00	545000.00
R.K.Goel		469238.00	433238.00
A.P.Sugandhi		1300000.00	1377604.00
New Leelamani Hospital		1000000.00	541869.00
Raghuvansh Agro Form		500000.00	500000.00
Accumen Polypack Products		2199638.00	534589.00
Swastik Chemicals		1000000.00	1093501.00
		<u>13344175.42</u>	<u>11704252.42</u>
Less: Provision for Bad debts (Refer point no.24b(i))		<u>500000.00</u>	<u>0.00</u>
		<u>12844175.42</u>	<u>11704252.42</u>

### Note No. 11

#### Other Non Current Assets

U.P.S.E Delevry A/c.		109131.13	109131.13
Capital Adequacy with U. P. S. E.		90200.00	90200.00
<b>TOTAL</b>		<u><b>199331.13</b></u>	<u><b>199331.13</b></u>

## Twenty Sixth Annual Report

Note No.12, Current Assets Trade Inventories (Refer Note No. 26) Quoted Equity Shares - Trade	Qty.	Cost as On 31.03.2012	Cost as On 31.03.2011
A.B.B. LIMITED	70	6230.76	6230.76
BHARAT COMMERCE LTD	165	1320.00	1320.00
CYNAMIDE AGRO LIMITED	25	5525.00	5525.00
FABWORTH LIMITED	400	2840.00	2840.00
GREAT OFFSHORE LTD	66	0.00	0.00
GRASIM INDUSTRIES LTD	3	866.55	866.55
G.E.SHIPPING LIMITED	266	10006.65	10006.65
KESORAM INDUSTRIES LTD	116	3760.72	3760.72
KOTHARI INDUSTRIES LTD	100	120.00	120.00
MANSAROVER PAPER LTD	800	1600.00	1600.00
ORKAY SILK MILLS LTD *	100	360.00	360.00
STD BATTERY LIMITED	1000	5380.00	5380.00
UNIORTH INTERNATIONAL	100	80.00	80.00
VIDEOCON INDUSTRIES LTD	29	4161.60	4161.60
<b>TOTAL</b>		<b>42251.28</b>	<b>42251.28</b>

\* Note:- The market value of the one company are not known as these are not traded in the market in the current year.

### Note No.13 Trade Receivables More Than Six Months

Asia Corp Securities Limited	76797.20	76797.20
Reena Arora	302700.00	302700.00
Sita Maheshwari	561375.00	561375.00
	<b>940872.20</b>	<b>940872.20</b>
Less: Provision for Bad Debts (refer Note No. 24 (b) (ii))	<b>940872.20</b>	<b>0.00</b>
<b>TOTAL</b>	<b>0.00</b>	<b>940872.20</b>

### Note No.14 CASH AND CASH EQUIVALENTS

Cash balance on Hand	120459.25	192303.25
<b>Balance with Scheduled Bank</b>		
State Bank of India Current A/c	599436.05	53915.05
<b>Balance with Scheduled Foreign Bank</b>		
Standard Chartered Bank FDR including accrued interest	154659.94	145472.45
Standard Chartered Bank ( Main A/c )	766420.28	528424.46
<b>TOTAL</b>	<b>1640975.52</b>	<b>920115.21</b>

**Vikalp Securities Ltd.**

**Note No.15**

**Short Terms Loans and Advances  
(Unsecured considered goods)**

**Loan**

Mudit Impex	0.00	3243000.00
A. R. Polymers Pvt. Ltd	0.00	1218800.00
Rajeev Kumar Jain	0.00	530000.00
Govind Mercantile Pvt. Ltd	0.00	554133.00
V. Three International	0.00	697200.00
Manish Agarwal	0.00	300000.00
B.S.Structure	0.00	500000.00
Shyam Lal Agarwal	0.00	947250.00
Vikarant Chemico Industrial	0.00	400000.00
Jhanshi Iron & Industries	0.00	13500.00
Manminder Singh	0.00	2000000.00
Tirupati Solvent Extractions	0.00	1500000.00
Shankar Enterprises	0.00	723767.00
Amit Traders	5800000.00	1535507.00
Ashok Flavour Pvt. Ltd	2600000.00	0.00
Geetika Seeds Pvt Ltd	2300000.00	0.00
Om Prakash Agarwal	1540832.00	0.00
Rohit Kanodia	522000.00	0.00
Sajan Kumar Agarwal	938075.00	0.00
Sharad Agarwal	629479.00	0.00
Shri Ramniwas Rukmani Devi	1000000.00	0.00
Vijay Kumar Kanodia	1047467.00	0.00
Umashankar Dhandania	2000000.00	0.00
Vishal Maheshwari & Company	500000.00	0.00
Govind Polymers Pvt Ltd.	547047.00	0.00

**TOTAL (A)**

**19424900.00**

**14163157.00**

**ADVANCES**

(Unsecured Unconfirmed Considered Good)

**(A) Advance to related Parties**

Vrindravan Construction Pvt. Ltd.	231285.00	231285.00
-----------------------------------	-----------	-----------

**TOTAL (B)**

**231285.00**

**231285.00**

**(B) (i) Others Advances**

KESA Security Deposit	3309.00	3309.00
T.D.S Account	610880.94	519445.11
U.P.S.E Cash Margin	16927.84	16927.84

**TOTAL (C)**

**631117.78**

**539681.95**

**(B)(ii) Other Advances :-**

Kundan Casting P Ltd.	1611.00	1611.00
Keshav Fincon Ltd.	508824.70	508824.70
Pradhi Kaseria	31562.00	31562.00

**541997.70**

**541997.70**

Less: Provision for Bad Debts Refer note no. 24 (b) (iii)	541997.70	0.00
---	-----------	------

**TOTAL (D)**

**0.00**

**541997.70**

**GRAND TOTAL (A + B+C+D)**

**20287302.78**

**15476121.65**

**NOTE FORMING PART OF PROFIT & LOSS ACCOUNT**

Note No.	CURRENT YEAR	PREVIOUS YEAR
<b>NOTE No.16</b>		
<b>Other Income</b>		
Commission	150.00	735.16
Interest on Loan	2638108.00	1855345.05
Interest on FDR	10208.32	0.00
Dividend	6152.15	27308.40
Sale of Shares	0.00	177989.70
Profit on sale of Investment	0.00	426030.12
	<u>2654618.47</u>	<u>2487408.43</u>
<b>Note No. 17</b>		
<b>Empolyee Benefit Expenses</b>		
Salary	144000.00	96000.00
	<u>144000.00</u>	<u>96000.00</u>
<b>NOTE No.18</b>		
<b>Other Expenses</b>		
<u>Details of payment of auditors:</u>		
a. Audit Fee	21134.00	21080.00
b. Other Services	8865.00	8824.00
Bank Charges	5247.33	4479.56
Demat Charges	1675.00	1771.00
Legal Expenses	21356.00	68481.00
Listing Fee & UPSE Charges	16545.00	20230.00
Postage & Telephone	67025.00	66913.95
Printing & Stationary	1627.00	12370.00
Rent	114000.00	114000.00
Office Maintanance	0.00	13100.00
Computer Maintanance	5450.00	7360.00
Advertisement Expenses	19859.00	23832.00
U.P.S.E.Annual Charges	6618.00	0.00
Managing Director Salary	120000.00	120000.00
Stamp Duty	0.00	2284.40
Mise Charges	0.00	1140.11
Electric Expences	18505.00	14318.00
Computer Exp. U.P.S.E.	0.00	38500.00
Securities Transection Tax	0.00	605.27
Bad Debts W/O refer note no. 24 b (i) (ii)	1982869.90	647670.76
Loss on Derivatives	0.00	277269.85
Prior Period Expenses	0.00	10759.72
BSE Revocation Penalty	0.00	320000.00
<b>TOTAL</b>	<u><b>2410776.23</b></u>	<u><b>1794989.62</b></u>

## Vikalp Securities Ltd.

19. Company purchased membership of U.P Stock Exchange Association Limited in the year 1995-96 for Rs. 10,00,000.00 (face value Rs. 2000.00 & Security deposit Rs. 10000.00)
20. There is no permanent diminution in the value of Investments as on 31st March, 2012, although market value of U.P. Stock Exchange Association Ltd. membership not ascertainable (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 in the value 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.
21. Company deposit & withdraw shares & Securities as Margin money with U.P.S.E. Ltd. time to time as per norms of Stock Exchange.
22. Company invested Rs. 1,45,100.00 in Holiday Resorts of sterling Securities Ltd. on time sharing basis and valued at cost (Market value not known).
23. Debtors, Creditors, Loans & Advances accounts are subject to confirmation.
24. (a) In our opinion the debtors outstanding for more than six months amounting to Rs. 1.09 Lacs (Previous Year :- 10.50 Lacs) is taken into other non current assets on account of U.P.S.E. Delivery Account as if seems doubtful but has not been provided for as the management informed that it is recoverable.
  - (b) (i) The company has written off the long term loan account of Asia Corp Securities Ltd amounting to Rs. 500000/- by making provision for bad debts as this is not recoverable
  - (ii) The management has written off all three advance accounts of Trade recivables amounting to Rs.9,40,872.20 by making provision for bad debts as these are not recoverable.
  - (iii) The management has written off three advance accounts amounting to Rs. 5,41,997.70 by making provision of bad debts as these are not recoverable. Thus the total written off bad debts amount is Rs. 1982869.90.
  - (iv) The loan given to Two parties amounting Rs. 15.75 lacs were outstanding since long & seems irrecoverable but management informed, that these loans are recoverable and has taken steps to realise the same.
- (c) The company has given to interest free short term advances to Two parties amounting to Rs. 25,00,000.00 during the year & Long Term advances to Three parties amounting Rs.20,75,000.00
25. Based on information available with the company as at March 31, 2012 there are no dues to Micro, Small & Medium Enterprises Development Act, 2006 as at March 31, 2012. Based on the information available with the company as at 31st March, 2012, 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, 2012.
26. 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	3240	42251.28	*3340	46,121.28
Purchases	NIL	NIL	1000	180423.50
Sales	NIL	NIL	1100	177989.70
Closing Stock	3240	42251.28	3240	42251.28

27. 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.
28. 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
      - Ashish Dixit
      - T.N. Agarwal
      - Vinod Kumar Sharma

## Twenty Sixth Annual Report

2. Enterprises in which key management personnel & their relatives are interested:-

a) Vrindavan Construction Pvt Ltd.

Mr. Arun Kejriwal Managing Director of the company is a director in this company.

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
Advance Taken	-----	-----	9959000.00	9959000.00	4215000.00
Advance Given	-----	231285.00	-----	231285.00	231285.00
Remuneration	-----	-----	120000.00	120000.00	120000.00

c. The maximum balance in the account of Mr. Arun Kejriwal Managing Director is Rs. 9989000/- during the year.

Note:- Related party relationship is as identified by the company and relied upon by the auditors.

### 29. 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 / (Loss) after tax (before adjustment of extraordinary item)	46245.49	308580.31
No. of Equity Shares	3051900	3051900
Basic & Diluted EPS	0.02	0.11

### 30. Employee Benefit :

- (i) Since the Company have only One employee, who is not eligible for gratuity & other benefits, 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. No provision of gratuity is being made on the salary of managing director.
- (ii) The company is not covered under Provident Fund Act and Employees Estate Insurance Act.

31. The other applicable accounting standard as per the provision of Companies Act, has been followed by the company.

32. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1856, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.

33. Significant Accounting Policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure-1.

As per our report of even date.

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 : 09.07.2012

ASHISH DIXIT  
(DIRECTOR)

**ANNEXURE-1**

Statement of significant Accounting Policies and Practices  
( Annexed to and forming part of the financial Statements for the year ended 31st March,2012 )

1. SIGNIFICANT ACCOUNTING POLICIES
  - 1.1 ACCOUNTING CONVENTION  
The Financial statements are prepared on going concern concept under historical cost convention on accrual basis and are in accordance with the applicable accounting standard issued by the Institute of Chartered Accounts of India notified under section 211 (3C) and the other relevant provisions of the Companies Act.1956.
  - 1.2 FIXED ASSETS  
Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price or construction cost including any attributable cost of bringing the assets to its working condition for its use.
  - 1.3 DEPRECIATION  
Depreciation is provided on straight line method as per schedule XIV of the companies Act 1956.on prorata basis.
  - 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 longterm i.e. non current 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.
  - 1.9. CONTINGENT LIABILITY

To the extent known	2011-2012 NIL	2010-2011 NIL
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**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 2012	
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

III POSITION OF MOBILIZATION AND DEPLOYMENT OF FUND (AMT. IN RS. THOUSANDS)

Total Liabilities	Total Assets
41533	(Net of current Liabilities)
	41533

SOURCES OF FUNDS

Paid up Capital	Reserves and Surplus
30519	969
Secured Loans	Unsecured Loans
NIL	9959

APPLICATION OF FUND

Net Fixed Assets	Investments
43	6477

NON CURRENT ASSETS

'19564

Net Current Assets	Miscellaneous Expenditure
21969	NIL
Accumulated Losses	
NIL	

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover	Total Expenditure
2655	2591
+- (Profit/Loss) Before Tax	+- Profit / (Loss) After Tax
63	46
Earning per Share in Rs. (Annualised)	Dividend Rate (%)
0.02	NIL

V EPS

Profit/(Loss) during the year	2011-2012	2010-2011
	46245.29	308580.31
No. of Equity Shares O/S	3051900	3051900
Basic & diluted Earnings per Share	0.02	0.11

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)

**Vikalp Securities Ltd.****VIKALP SECURITIES LTD** • Registered Office : 26/73, Karachi Khana, Kanpur**NOTICE**

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of VIKALP SECURITIES LTD will be held on, the 28<sup>th</sup> day of September 2012 at 9:00 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, 2012 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 appoint a Director in place of Mr. Tej Narain Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vinod Kumar Sharma, who who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration :

"RESOLVED THAT M/s Chaudhary Pandiya & Company, Chartered Accountants, the Auditor of the Company, retiring at the conclusion of the Annual General Meeting, being eligible and offering themselves for re-appointment be and are hereby re-appointed as the auditor of the Company to hold office from conclusion of the Annual General Meeting to the conclusion of next Annual General Meeting of the Company on the remuneration to be decided by the Board of Director".

**SPECIAL BUSINESS :**

5. 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 : 16<sup>th</sup> August 2012

Place : Kanpur

By order of the Board of directors

(Arun Kejriwal)  
Managing Director**NOTES :**

1. A Member entitled to attend 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. Tej Narain Agarwal has been associated with the company since past 8 years and has been continuously working toward the development of the company.
5. The register of Member shall be closed from 25th September 2012 to 28th September 2012.
6. Shareholders holding shares in physical form are requested to advice any change of address immediately to the company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited. Shareholder holding shares in electronic Form must send the advice about change in address or Bank mandate to their respective Depository Participant and not to the company or its Share Transfer Agent.
7. The details pursuant to clause 49 of the listing agreement in respect of the directors retiring in the Annual General Meeting and proposed to be reappointed are annexed to this notice.

Date : 16<sup>th</sup> August 2012

Place : Kanpur

By order of the Board of directors

(Arun Kejriwal)  
Managing Director**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 2013.

None of the directors of the company is, any way concerned or interested in this resolution.

Date : 16<sup>th</sup> August 2012

Place : Kanpur

By order of the Board of directors

(Arun Kejriwal)  
Managing Director

Details pursuant to clause 49 of the listing agreement in respect of the directors retiring by rotation in the Annual General Meeting and proposed to be re-appointed

<b>Name of the Director</b>	T.N. Agarwal	Vinod Kumar Sharma
<b>Date of Birth</b>	01/07/1944	29/05/1969
<b>Qualifications</b>	B.Tech	B.Com (Hons.)
<b>Specialised Expertise</b>	General Management, Innovation	Internal Management
<b>No. of Shares held in Vikalp Securities Limited</b>	Nil	Nil
<b>Directorship in Public companies</b>	Nil	Nil
<b>Committee position held</b>	Member of Audit Committee Vikalp Securities Limited	No

**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 26<sup>th</sup> Annual General Meeting of the Company being held on Friday, 28<sup>th</sup> September, 2012 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 26<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 28<sup>th</sup> September, 2012 at 9.00A.M and/or at any adjournment hereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

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