



Our Corporate Personality

The moneywise logo, symbol and colours truly reflect our growth and vigour, and what SKP does – using its knowledge and wisdom acquired over decades of experience, to help people to be moneywise, creating a sense of prosperity in them, bringing happiness to their lives.

Our Vision

Bringing happiness in society by creating prosperity through financial solutions.

Our Core Values

- Customers First
- Ethical & Transparent
- Speed with Quality and Economy
- Knowledge sharing & Innovation
- Passion & Ownership
- Empowerment and Meritocracy within Team Work

Contents

Standalone

Notice	3
Directors' Report	9
Corporate Governance Report	14
Auditor's Report	28
Balance Sheet	31
Profit & Loss Account	32
Cash Flow Statement	33
Notes	34
Consolidated Financial Statement	51

BOARD OF DIRECTORS

S. K. Mitra - *Independent, Non - Executive*

G. L. Sultania - *Independent, Non - Executive*

Kishore Bhimani - *Independent, Non - Executive*

Sanjay Chamria - *Independent, Non - Executive*

Retired by rotation on 21.07.2011

Ravi Todi - *Independent, Non - Executive*

Appointed Additional Director w.e.f 29.10.2011

Naresh Pachisia - *Managing Director*

Rajesh Pachisia - *Managing Director*

Auditors

G. P. Agrawal & Co.

7A, Kiran Shankar Roy Road
Kolkata 700 001

Bankers

HDFC Bank Ltd

United Bank of India

Axis Bank Ltd

State Bank of India

Vijaya Bank

Registered Office & Correspondence Address

Chatterjee International Centre, Level 21

33A, Jawahar Lal Nehru Road

Kolkata 700 071, India

Phone: (033) 4007 7000

Fax: (033) 4007 7007

E-Mail: cs@skpmoneywise.com

Mumbai Office

73C, Mittal Court (C-wing)

Nariman Point

Mumbai 400 021 India

Phone: (022) 2281 9012

Fax: (022) 2283 0932

E-mail: mumbai@skpmoneywise.com

Registrar & Share Transfer Agent

Maheshwari Datamatics (P) Ltd.

6, Mangoe Lane (2nd Floor)

Kolkata 700 001

Phone: (033) 2243 5029 / 5809

Fax: (033) 2248 4787

E-mail: mdpl@cal.vsnl.net.in

Company Secretary

Sarita Agarwal

CHARTER MEMBER

Financial Planning Standards Board, India

MEMBER

National Stock Exchange of India Ltd.

Bombay Stock Exchange Ltd.

National Commodities & Derivatives Exchange Ltd*.

Multi Commodity Exchange of India Ltd.*

National Spot Exchange Ltd.*

MCX Stock Exchange Ltd.

DEPOSITORY PARTICIPANT

National Securities Depository Ltd.

Central Depository Services (I) Ltd.

AMFI REGISTERED MUTUAL FUND ADVISOR

Association of Mutual Funds in India

OUR CLIENT SEGMENTS

Banks

Insurance Companies

Mutual Funds

Corporate & Business Houses

Charitable / Educational / Health Institutions

Non-Profit Organisations

Provident Funds

Individuals from all socio-economic strata

OUR SERVICES

Broking

Distribution

Investment Banking

Wealth Advisory and Prosperity Management

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held at MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata 700 001 on Saturday, the 28th day of July 2012, at 10.30 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March 2012.
3. To appoint Director in place of Mr. G.L. Sultania, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the 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 G. P. Agrawal & Co., Chartered Accountants, Kolkata (Registration No- 302082E) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at remuneration to be determined by the Board."

Special Business

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Ravi Todi who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 29, 2011 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the company has received notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

"RESOLVED THAT pursuant to Section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for the reappointment of Mr. Naresh Pachisia as Managing Director of the Company for a period of three years w.e.f 01.04.2012 on the terms and conditions as set out in the explanatory statement annexed hereto, and also draft agreement to be entered into with Mr. Naresh Pachisia placed before this meeting with a liberty to Board of Directors to revise, amend, alter and vary the terms and conditions of his appointment and remuneration in such manner as may from time to time be prescribed by the Central Government in schedule XIII or any modification(s) thereto, as may be agreed to by and between the Board of Directors and Mr. Naresh Pachisia.

"**RESOLVED FURTHER THAT** if in any financial year during the term of Mr. Naresh Pachisia, the Company has loss or inadequate profits, he shall be entitled to receive the remuneration specified in the aforesaid agreement as minimum remuneration as provided under the Companies Act, 1956."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

"**RESOLVED THAT** pursuant to Section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for the reappointment of Mr. Rajesh Pachisia as Managing Director of the Company for a period of three years w.e.f 01.04.2012 on the terms and conditions as set out in the explanatory statement annexed hereto, and also draft agreement to be entered into with Mr. Rajesh Pachisia placed before this meeting with a liberty to Board of Directors to revise, amend, alter and vary the terms and conditions of his appointment and remuneration in such manner as may from time to time be prescribed by the Central Government in schedule XIII or any modification(s) thereto, as may be agreed to by and between the Board of Directors and Mr. Rajesh Pachisia".

"**RESOLVED FURTHER THAT** if in any financial year during the term of Mr. Rajesh Pachisia, the Company has loss or inadequate profits, he shall be entitled to receive the remuneration specified in the aforesaid agreement as minimum remuneration as provided under the Companies Act, 1956."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of section 198, 349 and 350 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and the Whole Time Director, if any) in such amounts or proportion and in such manner and in all respects as may be directed by the Board of Directors subject to a maximum of Rs. 1,00,000/- (Rupees One lac only) per Director and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing from 1st April 2012."

Place: Kolkata
Dated: May 25, 2012

By order of the Board
For SKP Securities Ltd.

Sarita Agarwal
Company Secretary

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 5 to 8 are annexed hereto. The relevant details of the Director seeking appointment/reappointment under Item No.3 & 5 as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**
3. The Register of Members and Share Transfer books of the Company shall remain closed from 21st July, 2012 to 28th July, 2012 (both days inclusive) for the purpose of Annual General Meeting and for determining eligibility for dividend for the year ended 31st March, 2012.
4. The Dividend, if declared at the meeting, will be payable on or after 30th July in respect of shares held in physical form to those shareholders whose name appear in the Register of Members of the Company as at the end of business hours on 21st July 2012 and in respect of shares held in the electronic form to those members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as Beneficial Owners as on that date.
5. Members are requested to notify following details immediately to the Registrars and Transfer Agents of the Company - M/s Maheshwari Datamatics (P) Ltd. 6 Mangoe Lane, 2nd Floor, Kolkata 700 001, to enable the Company to draw dividend warrant payable .
 - (a) Any change in their addresses along with PIN Code Number; and
 - (b) Details about their bank account number, name of bank, bank's branch and address.
6. Members may please address all their documents / correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note No. 5 above.
7. Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in Note No. 5 above.
8. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.
9. Members are informed that dividends remaining unclaimed/ unpaid over a period of seven years shall be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrant(s)/cheques are requested to make their claims to the Company before the expiry of the statutory period of seven years.

10. Register of Directors' Shareholding & Register of Contracts, under section 307 & section 301 respectively of the Act will be available for Inspection by the Members at the Annual General Meeting.
11. Members attending the Annual General Meeting are requested to bring with them the following: (a) DP & Client ID Numbers or Folio Numbers (b) Attendance Slip and (c) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.

Explanatory Statement under section 173(2) of the Companies Act, 1956

The following Explanatory Statement sets out material facts relating to Special Business Item No. 5 to 8 mentioned in the accompanying Notice and should be considered as a part of the Notice.

Item No. 5

Mr. Ravi Todi was appointed as an Additional Director of the Company on October 29, 2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Todi holds office of a Director up to the forthcoming Annual General Meeting. The Company has received a notice in writing along with a deposit of Rs. 500/- (Rupees five hundred only) under Section 257 of the Companies Act, 1956 proposing his appointment as a Director of the Company, liable to retire by rotation.

The brief resume of the Director and other information as per clause 49 of the Listing Agreement with the Stock Exchange are provided as annexure to the notice.

The Board recommends the resolution for the appointment of Mr. Ravi Todi as a Non-Executive, Independent Director of the Company. None of the Directors except Mr. Todi is concerned or interested in the resolution.

Item no. 6 & 7

By a resolution passed by the members of the Company at their Annual General Meeting held on 25th, July 2009, both Mr. Naresh Pachisia and Mr. Rajesh Pachisia were appointed as Managing Directors of the Company for a period of three years from 1st April, 2009 at the terms and conditions specified in the resolution. At the Annual General Meeting held on 21st July, 2011 the said terms were revised as contained in the resolution as well as in the Explanatory Statement forming part of the Notice of the said Annual General Meeting.

In view of their continuing contributions made to the Company and also acknowledging the sustained and dedicated efforts in steering the Company as well as considering the fact that their continued involvement is inevitable to achieve further growth, the Board of Directors at their meeting held on 25th May, 2012 unanimously recommended the re-appointment of Mr. Naresh Pachisia and Mr. Rajesh Pachisia, as Managing Directors for a further period of three years from 1st April, 2012 on the following terms and conditions-

- a) Basic Salary: Rs 1,66,666/- per month
- b) HRA: Rs 83,334/- per month

- c) Commission: upto 4% of Net Profit of the Company for each financial year computed in the manner laid down in section 198 and 309 of the Companies Act, 1956

Your Directors recommend the resolution for approval of the members.

None of the Directors other than Mr. Naresh Pachisia and Mr. Rajesh Pachisia are concerned or interested in the resolution.

Item no. 8

Taking into account the responsibilities of the Directors, it is proposed that in terms of Section 309(4) of the Companies Act, 1956, the Directors apart from the Managing Directors be paid, for each of the five financial years of the Company commencing 1st April 2012, remuneration not exceeding one per cent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 subject to a maximum of Rs. 1,00,000/- (Rupees One Lac only) per director in addition to the sitting fee to be distributed amongst all or some of the Directors in such manner as Board of Directors of the Company may determine from time to time.

All the Directors of the Company except the Managing Directors are concerned or interested in the Resolution to the extent of the remuneration that may be received by them.

Place: Kolkata
Dated: May 25, 2012

By order of the Board
For SKP Securities Ltd.

Sarita Agarwal
Company Secretary

Details of Director seeking appointment/re-appointment at the 22nd Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. G. L. Sultania	Mr. Ravi Todi
Date of Birth	16.10.1945	01.05.1969
Date of Appointment	1.05.1991	29.10.2011
Qualification	B.Com, FCA, FCS	B.COM(H)
Expertise in specific functional areas	He carries 35 years' vast experience in corporate finance, law and secretarial practices as Group Advisor to a leading business group.	He carries 23 years' experience in financial services, capital markets and other industries.
Number of Shares held in the Company	NIL	NIL
Directorship held in other public companies (excluding foreign companies)	<ol style="list-style-type: none"> 1. Bhilwara Holdings Ltd 2. Hindustan Sanitaryware & Industries Ltd 3. Kirtivardhan Finvest Services Ltd 4. Paco Exports Ltd 5. S. R. Continental Ltd 6. Intimate Fashions Limited 7. Sarvottam Vanijya Ltd 8. Schablona India Ltd 9. Somany Ceramics Limited 10. Somany Global Limited 11. The United Provinces Sugar Co Ltd 	<ol style="list-style-type: none"> 1. Liberty Pharma Ltd. 2. Bengal Tools Limited 3. AMRI Hospitals Limited 4. Accent Industries Ltd. 5. Dujodwala Paper Chemicals Limited 6. Bengal Shrachi Housing Development Limited 7. Godavari Leasing & Finance Ltd. 8. Bhaskar Shrachi Alloys Ltd. 9. Indian Chamber of Commerce Calcutta
Chairman/Member of the Committee of the Directors of other Companies in which he is a Director	<p>Audit Committee-Chairman Schablona India Ltd</p> <p>Audit Committee-Member Somany Ceramics Ltd Intimate Fashions Ltd Hindware Home Retail Pvt. Ltd</p> <p>Shareholders'/Investors Grievance Committee - Chairman Schablona India Ltd</p> <p>Shareholders'/Investors Grievance Committee-Member HSIL Ltd Somany Ceramics Ltd</p>	<p>Audit Committee and Shareholders Committee - Member Dujodwala Paper Chemicals Limited-</p>

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report and Audited Accounts of SKP Securities Ltd. (SKP) for the year ended March 31, 2012.

Financial Highlights

(in ₹ Lacs)

Particulars	Financial Year	
	2011-2012	2010-2011
Total Income	2573.09	1473.11
Total Expenditure	1424.31	1269.37
Operational Profit	1148.78	203.74
Depreciation	55.18	55.13
Profit Before Tax	1093.60	148.61
Provision for Tax (including Deferred Tax Liability)	333.82	48.10
Profit After Tax	759.78	100.51
Appropriations		
Transferred to General Reserve	50.00	10.00
Proposed Dividend	56.15	56.15
Tax on Proposed Dividend	9.11	9.32
Earning Per Share (Rs.)	13.53	1.79
Net Worth	2182.76	1618.75

Dividend

Your Directors take pleasure in recommending payment of a dividend of 10% (₹ 1 per share) for the year 2011-12, subject to the approval of shareholders. This is in addition to the Special Dividend of 20% (₹ 2/- per share) paid out during the middle of the year.

Business Performance

It was a historic year for your company. SKP ideated and was the Sole Advisor to both parties in the acquisition of the Chloro Alkali Unit of Kanoria Chemicals & Industries Ltd by Aditya Birla Chemicals Ltd for ₹ 830 Crores. Although, we have been rendering our advisory and intermediation services to various corporates over the years in several areas, this transaction heralds formal entry of your company into boutique investment banking.

Global and domestic macro economic headwinds had an adverse impact on the financial markets in India. Amidst dwindling investor interest, Equity Markets recorded lowest turnover in several years, whilst trader interest in commodity futures increased. Increasing competition and structural regulatory changes in recent years had already made business conditions quite challenging as reflected in the financial losses suffered even by leading players, some of them rationalizing operations or closing business. In this scenario, your company has performed satisfactorily.

Future Outlook

In the continued challenging environment, which may worsen, your company will consolidate its operations and rationalize costs on the one side, while expanding its base of customers, channels, products and services on the other. We shall use these difficult times

to prepare ourselves for a better future. Due to a substantial fee income from a single transaction in the previous year, which may or may not get repeated, the top line and bottom line of the company may be significantly lower in the ensuing year.

Corporate Governance

Your Company has always striven to maintain the highest standards of Corporate Governance. All the stipulations set out in the Listing Agreement have been adhered to by your Directors. A Report on Corporate Governance is attached to this report as per statutory requirements. A Certificate from the Auditors of the Company, M/s. G. P. Agrawal & Co., confirming the compliance of conditions of Corporate Governance is annexed to this Report.

Auditors' Report

All the items on which the Auditors have commented in their report are self-explanatory.

Directors

Pursuant to the provisions of section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ravi Todi was appointed as an Additional Non Executive Independent Director with effect from October 29, 2011 and will hold office upto the date of the forthcoming Annual General Meeting of the Company.

Mr. G. L. Sultania, Director, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Listings

The equity shares of the company are listed on The Bombay Stock Exchange Ltd.

Auditors

The Auditors, M/s G. P Agrawal & Co, Chartered Accountants, retire at the ensuing AGM and, being eligible, offer themselves for re-appointment. Certificate from the Auditors has been obtained to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Fixed Deposits

Your Company did not accept any fixed deposits u/s 58A of the Companies Act 1956, during the year.

Employee Stock Option Plan:

During the year none of the employees of the Company have exercised their stock options granted under the SKP ESOP PLAN 2010. The Disclosure pursuant to the provisions of Securities and Exchange Board of India

(Employee Stock Option Scheme and Employee Stock Option Purchase Scheme) guidelines, 1999 in the respect of Employee Stock Option plan is given in the Annexure to this Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning/Outgo

Your Company not being a Manufacturing Company, the provisions relating to measures for conservation of energy and reduction of energy consumptions are not applicable. No comment is being made on technology absorption considering the nature of activities undertaken by your Company during the period under review.

Expenditure incurred in Foreign Currency during the year ₹ 69435/-

Information under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are as under:

Name	Designation	Qualification	Age	Joining Date	Experience (Years)	Gross Remuneration (₹)	Previous Employment
Naresh Pachisia	Managing Director	B Com CFP	49	Since Incorporation	30	30,00,000	None
Rajesh Pachisia	Managing Director	B Com (H) CFP	45	Since Incorporation	28	30,00,000	None

Director's Responsibility Statement

In accordance with the Companies (Amendment) Act, 2000, the Directors state that:

- i. in the preparation of annual accounts, all applicable accounting standards have been followed with proper explanations relating to material departures.
- ii. 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 on March 31, 2012 and of the profit of the Company for the accounting year ended on that day.
- iii. the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Act so as to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have approved the annual accounts on a going concern basis.

Acknowledgement

The Board expresses its deep gratitude and thanks to the clients, business associates, principals, bankers, regulators, exchanges, depositories, and shareholders for their valuable contribution towards the progress of the Company. Your Directors particularly wish to place on record their sincere appreciation of the best efforts put in by the employees at all levels, but for which, the Company could not have achieved what it did during the year under review.

Registered Office:
Chatterjee International Centre
33A, J. L. Nehru Road, 21st Floor
Kolkata 700 071
Dated: May 25, 2012

For and on behalf of the Board

Naresh Pachisia
Managing Director

ANNEXURES TO THE DIRECTORS' REPORT 2012

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of Employee Stock Option Plans.

Sl No	Particulars	
1.	Options Granted upto 31.03.2012	1,00,000
2.	The pricing formula	The Book Value of the Shares which is marginally above the Market Price of the Shares on the date of grant.
3.	Options vested upto 31.03.2012	Nil
4.	Options exercised upto 31.03.2012	Nil
5.	The total no of shares arising as a result of exercise of Option	Nil
6.	Options Lapsed as at 31.03.2012	23000
7.	Variation of terms of Options	Nil
8.	Money released by exercise of Options	Nil
9.	Total no of Options in force as at 31.03.2012	77,000
10.	Employee wise details of Options granted to :	
	- Senior Managerial Personnel including Directors	Nil
	- Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	- Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20- 'Earnings Per Share'.	Nil
12.	i. Method of calculation of employee compensation cost.	Intrinsic Value being excess of the Market Price of the Share over the exercise price of option
	ii. Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Negative
	iii. The impact of this difference on profits and on EPS of the Company.	N.A.
13.	i. Weighted-average Exercise Price of options	₹ 29.00/-
	ii. Weighted-average Fair Value of options	₹ 7.84
14.	Fair value of options based on Black Scholes methodology assumptions used:	
	- Risk free interest rate	10.01%
	- Expected life of options	1 to 3 years
	- Expected volatility	58.45%
	- Expected dividends (dividend yield)	5.53%
	- Closing market price of share on the date of option grant.	₹ 27.10

CORPORATE GOVERNANCE REPORT

Corporate Governance is about running the company, in letter and spirits, according to the legal framework provided by Clause 49 of Listing Agreement and other guidelines as laid down by SEBI from time to time, which aims at ethical and transparent business conduct, meeting stakeholders' aspirations and societal expectations, strengthening internal control, building trust amongst shareholders, employees, customers, suppliers and diverse stakeholders on four key elements- transparency, fairness, disclosure and accountability.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement as

on 31.03.2012, in letter and spirits, and presents the following Corporate Governance report based on the said disclosure requirements:

Company's Philosophy on Code of Governance

The Company's Philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, and lenders and places due emphasis on regulatory compliances. The Company believes that its systems and actions must be dovetailed for enhancing corporate performance and maximizing shareholder value in the long term.

Board of Directors

Composition and Category

Your company has an optimum combination of executive and non-executive directors with 67 percent of the Board of Directors comprising of Non-Executive Directors.

- 2 Promoter, Executive Directors
- 4 Independent, Non Executive Directors

The composition of the Board of Directors as on 31.03.2012 and also the number of other directorships and committee positions held by them are as under:

Name of Director	Category	No. of other Directorship	Committee Chairmanship#	Committee Membership#
Mr. Naresh Pachisia	Chairman, Managing Director	8	NIL	7
Mr. Rajesh Pachisia	Managing Director	1	NIL	NIL
Mr. G.L. Sultania	Independent, Non-Executive	11	2	5
Mr. Kishore Bhimani	Independent, Non-Executive	1	NIL	NIL
Mr. Subrata Kumar Mitra	Independent, Non-Executive	9	2	2
Mr. Ravi Todi*	Independent, Non-Executive	9	NIL	2

*Appointed Additional Director w.e.f. 29th October, 2011.

#For reckoning the limit, the membership/chairmanship of the Audit Committee and Shareholders' Grievance Committee of the Indian Public Limited Companies were considered

Note: Private limited companies, foreign companies and section 25 companies have been excluded for the above purpose.

Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended March 31 2012, four Board Meetings were held on 21st May 2011, 22nd July 2011, 29th October 2011, and 27th January 2012. The maximum time gap between two meetings complies with the mandated requirement of not more than 4 months. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Director	Number of Board Meeting held during the Year	Number of Board Meetings attended	Attendance at last AGM (Yes/No)
Mr. Naresh Pachisia	4	4	Yes
Mr. Rajesh Pachisia	4	3	Yes
Mr. G.L. Sultania	4	4	Yes
Mr. Kishore Bhimani	4	4	Yes
Mr. Ravi Todi*	4	1	NA
Mr. Subrata Kumar Mitra	4	2	No
Mr. Sanjay Chamria#	4	1	No

*Appointed Additional Director w.e.f. 29th October, 2011.

#Retired by rotation on 21st July, 2011

No Director is related to any other Director, except Mr. Naresh Pachisia and Mr. Rajesh Pachisia, who are brothers. Further, the Board periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure compliance in law and spirit.

Non Executive Director's compensation and disclosures

Non Executive Directors were not paid any compensation other than sitting fees. None of the Non Executive Directors hold any shares in the Company.

Code of Conduct and Ethics for Directors and Senior Executives

In line with the amended Clause 49 of the Listing Agreement, the Company adopted a Code of Conduct and Ethics for its Directors and Senior Executives and the same has been posted on the Company's website. The purpose of this code is to promote conduct of business ethically in an efficient and transparent manner.

COMMITTEES OF THE BOARD

A. Audit Committee

Composition

The Audit Committee of the Company comprises of two Independent, Non-Executive Directors and one Executive Director. All the members of the committee possess knowledge of Corporate Finance, Accounts, Audit and Company Law. The Chairman of the Committee is an Independent, Non Executive Director nominated by the Board. The Company Secretary acts as the secretary to the Committee. The Statutory Auditor and the Internal Auditor of the Company are permanent invitees at the meetings of the Committee.

Brief description of the terms of reference

The Audit Committee of the Company, inter-alia, provides guidance to the Board on the adequacy of the internal control and financial disclosures. They also provide guidance to liaise with the Internal Auditors as well as the Statutory Auditors of the Company. The terms of reference of the Audit Committee include:

1. Oversight 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.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of 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 the 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 any related party transactions.
 - Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.
10. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
11. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

12. To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
14. The Audit Committee also reviews the following information:
 - The management's discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions submitted by the management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Internal Auditor; and
 - Review of uses/application of funds raised.

Meetings & Attendance

During the financial year ended March 31, 2012, four Audit Committee Meetings were held on 16th May 2011, 20th July 2011, 29th October 2011, and 27th January 2012. The attendance at the Committee Meetings is as under:

Name of the member of Audit Committee	Designation	No. of meetings attended
Mr. G. L. Sultania	Chairman, Non-Executive Independent Director	4
Mr. Kishore Bhimani	Member, Non-Executive Independent Director	4
Mr. Naresh Pachisia	Member, Managing Director	4

B. Remuneration Committee

Composition

The Remuneration Committee comprises of two Independent, Non Executive Directors.

Brief description of terms of reference

- To periodically review the remuneration package of the Managing Director and Whole-time Directors and recommend suitable revision to the Board.
- To grant Employee Stock Options, if any, as approved by the shareholders.

Meetings & Attendance

During the year, the Committee met on 16th May, 2011. The composition of the Remuneration Committee and their attendance at the Committee Meetings are as under:

Name of the member of Audit Committee	Designation	No. of meetings attended
Mr. Kishore Bhimani	Chairman, Non-Executive Independent Director	1
Mr. G.L. Sultania	Member, Non-Executive Independent Director	1

Details of Remuneration to the Directors
A. Executive Directors

Name	Basic Salary (Rs.)	Allowances & Other Benefits (Rs.)	Commission Payable	Total (Rs.)	Service Contract period	Stock Options granted
Mr. Naresh Pachisia	19,99,992	10,00,008	34,44,000	64,44,000	3 Years	NIL
Mr. Rajesh Pachisia	19,99,992	10,00,008	34,44,000	64,44,000	3 Years	NIL

B. Non Executive Directors

Name	Commission Payable (Rs)	Sitting Fee (Rs)		Total (Rs.)
		Board Meeting	Audit Committee Meeting	
Mr. G L Sultania	NIL	40000	10000	50000
Mr. Kishore Bhimani	NIL	40000	10000	50000
Mr. Subrata Kumar Mitra	NIL	20000	-	20000
Mr. Ravi Todi	NIL	10000	-	10000
Mr. Sanjay Chamaria	NIL	10000	-	10000

C. Shareholders'/Investor Grievance Committee
Composition

Shareholders Committee comprises of two Non-Executive, Independent Directors including the Chairman of the Committee, and one Executive Director.

Brief Description of Terms of Reference

The Shareholders'/Investors' Grievance Committee, inter-alia, approves transfer/transmission of shares, issues of duplicate share certificates, and reviews all matters connected with transfer of securities of the Company. The Committee also looks into investors' grievance and redressal mechanism relating to non-receipt of Balance Sheet, non-receipt of declared dividends etc. and recommends measures for overall improvement in the quality of investor services.

Meetings & Attendance

During the year, the Committee met 3 (three) times on 30th June, 2011, 30th September, 2011 and 15th December, 2011. The attendance at the Committee Meetings is as under:

Name of the member of Audit Committee	Designation	No. of meetings attended
Mr. G.L. Sultania	Chairman, Non-Executive Independent Director	3
Mr. Kishore Bhimani	Member, Non-Executive Independent Director	3
Mr. Naresh Pachisia	Member, Managing Director	3

Details of complaints received and resolved during the year ended on 31.03.2012:

A Number of complaints pending at the beginning of the year	NIL
B Number of complaints received from shareholders	2
C Number of complaints redressed	2
D Number of complaints pending share transfers	NIL

Compliance Officer

The Board has designated Ms. Sarita Agarwal as Company Secretary and Compliance Officer under the Listing Agreement with the Stock Exchanges in India.

Details of Annual General Meetings

Location and time, where the last three Annual General Meetings were held:

Financial Year	Date	Location of the Meeting	Time
2010-2011	21/07/2011	Merchants Chamber of Commerce, Kolkata	12.00 Noon
2009-2010	31/07/2010		10.30 A.M.
2008-2009	25/07/2009		10.30 A.M.

No special resolution was put through Postal Ballot at any of the AGMs mentioned above. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Special Resolution passed in previous three AGMs.

Financial Year	Special Resolution passed	Details of Special Resolutions passed in the AGM
2010-2011	Yes	1. Increase in remuneration of Mr. Naresh Pachisia, Managing Director of the Company 2. Increase in remuneration of Mr. Rajesh Pachisia, Managing Director of the Company
2009-2010	Yes	1. To amend Articles of Association of the Company for insertion of new Article 13B relating to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 2. Issue of equity shares under section 81 (1A) of the Companies Act, 1956.
2008-2009	No	-

Disclosures

- No material transaction has been entered into by the Company with the Promoters, Directors or Management, or their relatives etc, which might have a potential conflict with the interest of the Company. However, disclosure of transactions with related parties is set out in the Notes to Accounts-Note no 2.22(7), forming part of the Annual Report.
- The Company has broadly complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it during the last three years, except insignificant amounts for minor faults made during the conduct of regular business.
- The Company has followed the guidelines of Accounting Standards prescribed under The Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.

- The Company has complied with the entire mandatory requirements and has set up a Remuneration Committee to determine the company's policy on specific remuneration package for executive directors.
- The Company has laid down risk assessment and minimization procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk in a properly defined framework.

Subsidiary Company

SKP Commodities Ltd. is wholly owned non material non listed Indian subsidiary of the Company.

Means of Communication

The quarterly, half yearly and annual results of the Company are published in 'Business Standard/Financial Express/The Economic Times' and 'Sakal' and are also displayed on the Company's website www.skpmoneywise.com. The Company has designated the email-id grievance.cell@skpmoneywise.com exclusively for redressal of the investor grievances and the necessary disclosure to this effect has also been made in the Company's website www.skpmoneywise.com. Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors Report and other information is circulated to members and others entitled thereto and are also available on the website of the Company in a user-friendly and downloadable form. Management Discussion and Analysis Report forms part of the Annual Report.

General Information for Shareholders

Detailed information in this regard provided is provided below:

Annual General Meeting

Day & Date	:	Saturday, 28th July, 2012
Time	:	10.30 A.M
Venue	:	MCC Chamber of Commerce & Industry 15B, Hemanta Basu Sarani, Kolkata-700001

Financial Calendar : 1st April - 31st March

Financial Year calendar for 2012-13 (Tentative)

Results for the quarter ending June, 2012	Four weeks from the end of the quarter
Results for the quarter ending September, 2012	Four weeks from the end of the quarter
Results for the quarter ending December, 2012	Four weeks from the end of the quarter
Results for the quarter ending March, 2013	Eight weeks from the end of the quarter

Book Closure Date : 21st July 2012 to 28th July 2012 (Both days inclusive)

Dividend : 10% (2011-2012)

A Special dividend of Rs. 2/- per share was declared by the Board at its meeting held on 29th October, 2011.

Dividend Payment Date : On or after 30th July, 2012

Previous Dividend

2010-2011	:	10%
2009-2010	:	10%
2008-2009	:	Nil

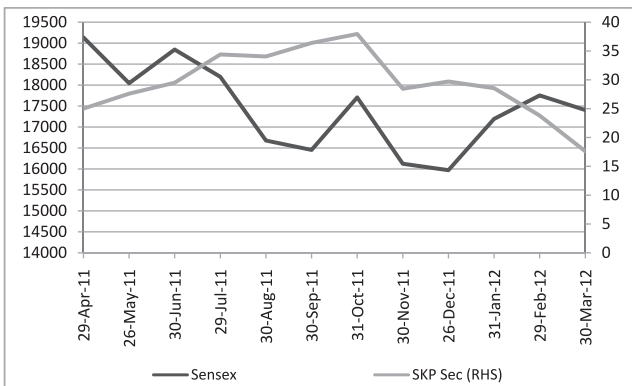
Listing on Stock Exchanges : Bombay Stock Exchange Ltd (531169)
(Stock Code) Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai-400023

Note:

The Company has paid the Listing Fees for the year 2012-2013 to Bombay Stock Exchange Ltd.

Market Price Data : Monthly stock market data of High and Low prices of Equity shares of the Company during Financial year 2011-12 and their performance in comparison with broad based index compared

Market Price Data (Monthly High and Low in 2011-12)			
Month	Share Price (₹)		Number of Shares Traded
	High	Low	
Apr-11	25.00	19.10	5781
May-11	27.75	23.80	13076
Jun-11	31.00	26.65	17764
July-11	34.40	22.70	49150
Aug-11	41.00	31.25	79821
Sep-11	38.85	31.90	7121
Oct-11	40.55	30.60	5749
Nov-11	38.00	25.30	10673
Dec-11	29.70	25.70	4419
Jan-12	30.50	24.90	2414
Feb-12	28.00	23.70	7676
Mar-12	25.00	17.60	11346



Registrar & Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd
6, Mangoe Lane (2nd Floor),
Kolkata-700071
Phone: 033-2243 5029
Email: mdpl@cal.vsnl.net.in

Share Transfer System

: Share transfer in physical and demat form are registered by Registrar & Share Transfer Agent and are returned to the respective transferees within a period ranging from fifteen days to one month provided the documents lodged with the Registrar/Company is clear in all respect.

Distribution of Shareholding as on 31.03.2012				
Category of Shareholders	No. of Shareholders	Percentage	No of Shares	Percentage
1 to 500	1245	87.31	170082	3.03
501 to 1000	67	4.70	56084	1.00
1001 to 2000	42	2.95	62293	1.11
2001 to 3000	17	1.19	43316	0.77
3001 to 4000	8	0.56	28342	0.50
4001 to 5000	8	0.56	36142	0.64
5001 to 10000	14	0.98	91406	1.63
10001 to Above	25	1.75	5127335	91.32
Grand Total:	1426	100.00	5615000	100.00

Shareholding Pattern Category	No. of shares held	Percentage of Shareholding
Indian Promoters	4209700	74.97
Foreign Promoters	--	--
Banks, FIs, Insurance Companies	--	--
FIIIs	--	--
Private Corporate Bodies	275203	4.90
Indian Public	1121237	19.97
NRIs / OCBs	8860	0.16
Total	5615000	100.00

Dematerialisation of Shares
(ISIN NO. INE709B01016)

Electronic/Physical	Mode of Holding %
NSDL	29.31
CDSL	68.19
Physical	02.50
TOTAL	100.00

Number of Shareholders : 1426

Outstanding GDR/ADRs/Warrants : The Company doesn't have any plan and has not issued any GDRs /ADRs / Warrants or any other convertible instruments.

Shareholding Pattern (as on 31.03.2011)

Promoter Group : 74.97%
Public : 25.03%

Address for Correspondence

SKP Securities Ltd.
Chatterjee International Center
Level-21, 33A Jawaharlal Nehru Road
Kolkata-700071
Ph No: 033 4007 7000
Fax: 033 4007 7007
Email: cs@skpmoneywise.com

**DECLARATION BY THE MANAGING DIRECTOR ON THE CODE
OF CONDUCT**

Pursuant to Clause 49 of the Listing Agreement with stock exchanges I, Naresh Pachisia, Managing Director of SKP Securities Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2012.

Place : Kolkata
Dated: May 25, 2012

Naresh Pachisia
Managing Director

AUDITORS CERTIFICATE ON CLAUSE 49 COMPLIANCE

To
The Members of SKP Securities Ltd

We have reviewed the records concerning the Company's compliance with Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year beginning April 01, 2011 and ending on March 31, 2012.

The compliance of conditions of Corporate Governance is the responsibility of the management. The objective of our review is to give our opinion on whether the Company has complied with the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company.

Based on such review, in our opinion and to the best of our information, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement of the Stock Exchanges of India.

For G.P. AGRAWAL & CO.

For and on behalf of Board of Directors

Chartered Accountants
Firm Registration No 302082E

CA SUNITA KEDIA
Partner
(Membership No. 60162)

Naresh Pachisia Rajesh Pachisia
Managing Directors

Kolkata
Dated : May 25, 2012

Sarita Agarwal
Company Secretary

CEO Certification under Clause 49(v) of the Listing Agreement

The Board of Directors
SKP Securities Limited

I, Naresh Pachisia, Managing Director and CEO of the Company on the basis of the review of financial statements and the cash flow statement of the Company for the year ended 31st March, 2012 and to the best of our knowledge and belief, 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 our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012 which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which, I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
 - (a) there have been no significant changes, in internal control over financial reporting during the year.
 - (b) there have been no significant changes, in accounting policies during the year.
 - (c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : Kolkata
Dated : May 25, 2012

Naresh Pachisia
Managing Director

Management Discussion and Analysis Report

Industry Trends & Development

Be it brokerage, wealth advisory or distribution of financial products, all the activities that your company is engaged in have growth opportunities due to existing low penetration levels in a rapidly growing economy with increasing investible surplus with the populace, but are facing tremendous competitive and regulatory compliance pressures and increasing regulatory compliances. The mutual fund distribution industry is facing game changing structural changes. With the increasing role of technology, there is a paradigm shift in the running of these businesses. Your company is gearing up well to face all such developments and re-engineering the business strategy wherever necessary.

Opportunities & Threats

The rising economy leading to higher investible surplus with families, under penetration of all the company's services provide opportunities for the company. The rise of banks and very large broking houses with their financial muscle power, some of them having been promoted/co-promoted by industrial conglomerates/global financial powerhouses, pose a threat to the company, alongwith game changing structural and regulatory changes in the industry.

Business Review

In spite of such competitive pressures, your company has done satisfactorily well to maintain its topline in a static environment, due to its diversified portfolio of customer and product segments, whilst keeping costs in check. Fee Income from corporate advisory

services has resulted in historically highest topline and bottom line.

Management of Risks

The conscious overall reduction to zero levels made in the company's investment and trading exposure in the capital market, and tendency to park surplus liquidity only in debt/liquid mutual funds, or do arbitrage transactions at best, has completely eliminated the market risk in the company's balance sheet. The business models and policies are being re-aligned to make the company withstand and grow within the highly competitive environment. Superior Risk Management Measures have now been put in place to reduce risk in broking business. A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks being in place, your company is increasingly becoming a risk-free business entity.

Internal Control Systems and their adequacy

The scope of work for internal auditors, which is reviewed and expanded as required, addresses issues related to internal control systems particularly those related to regulatory compliance. Pre-audit and post-audit checks and reviews ensure that audit observations are acted upon. The Audit Committee of the Board of Directors reviews the Internal Audit Reports and the adequacy of internal controls.

Financial Performance

A snapshot of financial performance is furnished in the Directors' Report. Although the company's top line has remained stagnant, the bottom-line has suffered due to bad debts.

Future Outlook

The company is looking at growth opportunities, while consolidating its current business in line with the challenging business environment. Future outlook in the long term is positive, although in the short term, maintaining the topline and bottom line of FY12 will be a challenge.

Human Resource Management

Employees are vital to SKP and we are committed to our mission of making SKP a preferred place to work and a career growth oriented, professional environment where teamwork and meritocracy prevails.

AUDITORS' REPORT

To the Members of SKP Securities Limited

1. We have audited the attached Balance Sheet of SKP SECURITIES LIMITED, as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. a) In our opinion, proper books of accounts and records as specified in Rule 15 of Securities Contract (Regulation) Rules, 1957 have been kept so far as appears from our examination of such books.
b) The Company has complied with the requirements of the Stock Exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Stock Exchange.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, 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 Act;
 - (vi) 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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G.P. AGRAWAL & CO.

Chartered Accountants
Firm Registration No. 302082E

CA SUNITA KEDIA

Partner
(Membership No. 60162)

Kolkata
Dated: May 25, 2012

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of our Report of even date to the members of
SKP SECURITIES LIMITED for the year ended 31st March, 2012.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.
- c) During the year, the Company has not disposed off substantial part of fixed assets.
- ii) The Company does not have inventory. Therefore, the provisions of Para ii(a), (b) and (c) of paragraph 4 of the said order are not applicable to the company.
- (iii) As informed the Company has not taken / granted any loans, secured or unsecured from / to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of para (iii) of paragraph 4 of the said order are not applicable to the company.
- iv) On the basis of information and explanations given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed any instances of major weakness in the aforesaid internal control systems.
- v) a) Based on the audit procedure applied by us and according to information and explanations given to us, the particulars of contracts or arrangements, referred to in Section 301 of the Act have been so entered in the register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii) The provision regarding maintenance of cost records is not applicable to the Company.
- ix) a) According to the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Investor Education and Protection Fund & other statutory dues with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable. As explained to us, the provisions of Wealth Tax, Sales-Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
- b) The disputed statutory dues aggregating to ₹ 56,90,264/- that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the statute	Nature of dues	Period to which pertain	Amount (₹)	Authorities (Where the dispute is pending)
1.	Finance Act, 1994	Service Tax	2000-2001 to 2005-2006	50,56,827	Commissioner, Service tax Commissionerate
			2006-2007 to 2008-2009	6,33,437	Joint Commissioner Service tax
	Total			56,90,264	

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) The Company has not defaulted in payment of dues to any of the banks. The Company has not taken any loan from financial institution and has not issued any debenture.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provisions of any Special Statute applicable to the chit fund, nidhi or mutual benefit society are not applicable to the Company.
- xiv) The Company has maintained proper records of the transactions and contracts regarding dealings in shares, securities, debentures and other investments and timely entries have been made thereon. The shares, securities, debentures and other investments have been held by the Company in its own name.
- xv) According to the records of the Company and 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.
- xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix) The Company has not issued any secured debentures.
- xx) The Company has not raised any money by public issue during the period covered by our audit report.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For G.P. AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 302082E

CA SUNITA KEDIA
Partner
(Membership No. 60162)

Kolkata
Dated: May 25, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	56,150,000	56,150,000
(b) Reserves and surplus	2.2	162,126,408	105,725,156
		218,276,408	161,875,156
(2) Non -Current Liabilities			
(a) Long-term borrowings	2.3	1,924,773	1,595,103
(b) Deferred tax liabilities	2.4	455,869	2,384,219
		2,380,642	3,979,322
(3) Current Liabilities			
(a) Short -term borrowings	2.5		20,304,029
(b) Trade payables		30,069,895	45,563,402
(c) Other current liabilities	2.6	25,106,010	15,207,548
(d) Short -term provisions	2.7	12,214,293	8,297,729
		67,390,198	89,372,708
TOTAL		288,047,248	255,227,186
II ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	2.8		
(i) Tangible assets		17,335,881	22,184,504
(ii) Intangible assets		3,149,428	6,013,740
		20,485,309	28,198,244
(b) Non -current investments	2.9	10,000,000	10,000,000
(c) Long-term loans & advances	2.10	52,788,981	43,033,550
(d) Other non-current assets	2.11	2,761,148	-
		86,035,438	81,231,794
(2) Current Assets			
(a) Current investments	2.12	62,322,200	-
(b) Trade receivables	2.13	18,282,805	8,482,590
(c) Cash & bank balances	2.14	115,538,866	157,784,412
(d) Short-term loans & advances	2.15	2,269,420	5,568,233
(e) Other current assets	2.16	3,598,519	2,160,157
		202,011,811	173,995,392
TOTAL		288,047,248	255,227,186

Significant Accounting Policies	1
Notes to Accounts	2

The Significant accounting policies and notes to accounts are an integral part of the Financial statement.

As per our report of even date attached

For and on behalf of Board of Directors

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Naresh Pachisia Rajesh Pachisia

Managing Directors

Kolkata

Dated : May 25, 2012

Sarita Agarwal
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

	Note No.	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
INCOME			
I. Revenue/Income from operations	2.17	257,172,925	146,298,420
II. Other income	2.18	136,793	1,013,192
III. Total Revenue (I + II)		257,309,718	147,311,612
IV. Expenses			
Employee benefits expense	2.19	46,002,793	36,082,148
Finance costs	2.20	1,443,419	2,593,953
Depreciation and amortization expenses	2.8	5,518,542	5,513,526
Other expenses	2.21	94,984,022	88,260,963
Total Expenses		147,948,776	132,450,590
V. Profit before tax (III-IV)		109,360,942	14,861,022
VI. Tax Expenses			
(1) Current tax		35,310,359	4,961,212
(2) Deferred tax		(1,928,350)	(717,573)
(3) Tax in respect of earlier years written off/(back)		-	566,765
		33,382,009	4,810,404
Profit for the period (V-VI)		75,978,933	10,050,618
VIII. Earnings per equity share (Face value Rs. 10/- each):			
Basic	2.22(4)	13.53	1.79
Diluted	2.22(4)	13.53	1.79

Significant Accounting Policies 1

Notes to Accounts 2

The Significant accounting policies and notes to accounts are an integral part of the Financial statement.

As per our report of even date attached

For and on behalf of Board of Directors

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Naresh Pachisia Rajesh Pachisia

Managing Directors

Kolkata

Dated : May 25, 2012

Sarita Agarwal

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2012

Particulars	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Exceptional Items and Extra Ordinary Items and Tax	109,360,942	14,861,022
<i>Adjustments to reconcile Profit before Exceptional Items, Extra Ordinary Items and Tax to Cash Flow provided by Operating Activities :</i>		
Finance Cost	1,443,419	2,593,953
Depreciation & Amortisation Expense	5,518,542	5,513,526
Loss on Sale/Discard of Tangible Fixed Assets	6,887,975	625,383
Sundry Debit Balances / Advances Written off	1,515,632	-
Bad Debts Written off	4,631,733	16,407,539
Operating Profit before Working Capital changes	129,358,243	40,001,423
<i>Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :</i>		
Trade Payables	(1,445,078)	29,978,808
Other Current Liabilities	8,227,454	(4,850,900)
Current investments	(62,322,200)	
Trade Receivables	(14,431,948)	(18,891,539)
Long Term loans and advances	(9,755,431)	6,251,252
Short Term loans and advances	1,783,181	478,124
Other Non Current Assets	(2,761,148)	-
Other Current Assets	(4,802,494)	343,168
Cash Generated from Operations	(85,507,664)	13,308,913
Tax Expense	(31,372,108)	(4,997,736)
Cash Flow before Extraordinary Items	12,478,471	48,312,600
Exceptional / Extraordinary Items	-	-
Net Cash Generated / Used - Operating Activities	12,478,471	48,312,600
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Tangible Fixed Assets	(4,064,004)	(4,346,779)
Sale of Tangible Fixed Assets	523,500	-
Additions to Intangible Fixed Assets	(1,153,078)	(1,544,825)
Net Cash Generated / Used - Investing Activities	(4,693,582)	(5,891,604)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	2,978,229	368,892
Repayment of Long Term Borrowings	(1,032,000)	(554,000)
Proceeds/(Repayment) of Short Term Borrowings [Net]	(20,304,029)	(3,032,393)
Finance Cost	(1,443,419)	(2,593,953)
Dividend Paid	(16,845,000)	(5,615,000)
Dividend Distribution Tax Paid	(2,754,368)	(954,269)
Net Cash Generated / Used - Financing Activities	(39,400,587)	(12,380,723)
Net Increase in Cash & Cash Equivalents (A+B+C)	31,615,698	30,040,273
Opening Cash and Cash Equivalents	37,472,726	7,432,453
Closing Cash and Cash Equivalents (Note 2.14)	5,857,028	37,472,726
Notes:		
1) Cash and Cash Equivalents at the end of the period consists of:		
a) Balance with Banks on Current Accounts	5,735,199	37,000,005
b) Cash on hand	121,829	472,721
	<u>5,857,028</u>	<u>37,472,726</u>
2) Figure in brackets represent cash outflow from respective activities.		

As per our report of even date attached

For and on behalf of Board of Directors

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Kolkata

Dated : May 25, 2012

Naresh Pachisia Rajesh Pachisia

Managing Directors

Sarita Agarwal

Company Secretary

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basics of preparation of Financial Statements

The Financial Statements are prepared on an accrual basis and under the historical cost convention and in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006 notified by the Central Government of India.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Use of Estimates

"The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

1.3 Fixed Assets and Intangible Assets

- a) Fixed Assets are stated at their original cost less accumulated depreciation and impairments, if any.
- b) Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.

1.4 Depreciation and Amortization

- a) Depreciation on Fixed Assets is provided on Written Down Value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation/amortisation on assets added, sold or discarded during the year has been provided on pro-rata basis.
- c) Stock Exchange membership card is not being amortised.
- d) Computer Software (Acquired) are amortised on straight line basis over a period of four years.

1.5 Investments

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

1.6 Revenue Recognition

- a) Income from broking activities and transactions in respect of dealing in shares & securities are recognised on the date of settlement on the respective stock exchange. Income from depository and other services is recognized when the right to receive the same is established.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income is recognized when the Company's right to receive dividend is established.
- d) All other income are accounted for on accrual basis.

1.7 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Re-imbusement expected in respect of expenditure to settle a provision is recognized only when it is virtually certain that the re-imbusement will be received.

A Contingent Asset is not recognized in the Accounts.

1.8 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.9 Foreign Currency Transactions

- a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

1.10 Employee Benefits

a) Defined Contribution Plan

Company's contribution towards Provident Fund are charged to the Statement of Profit and loss for the year to which it relates.

b) Defined Benefit Plan

Company's liability towards gratuity is Defined Benefit Plan. The company has opted for a Group Gratuity cum Life Assurance Scheme of Birla Sun Life Insurance Company Limited and the contribution towards gratuity liability as determined by Birla Sun Life Insurance Company Limited is recognized as an expense in the Statement of Profit and Loss for the year to which it relates as required under Accounting Standard 15 -Employee Benefits.

1.11 Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets, if any are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

1.12 Research Expenses

Research costs are expensed as incurred.

1.13 Earnings Per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

1.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2. NOTES TO ACCOUNTS

2.1 SHARE CAPITAL	As at 31.03.2012		As at 31.03.2011	
	No.	₹	No.	₹
a) Authorised				
Equity shares of ₹ 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
b) Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each fully paid up	5,615,000	56,150,000	5,615,000	56,150,000

c) Terms / rights attached to equity shares:

Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shareholder's holdings more than 5% shares in the company:

Name of Shareholders	As at 31.03.2012		As at 31.03.2011	
	No.	% holding	No.	% holding
Mr. Naresh Pachisia	1,003,850	17.88	1,003,850	17.88
Mr. Rajesh Pachisia	1,176,150	20.95	1,176,150	20.95

e) Details of shares reserved for issuance:

The company has reserved for issue of 77,000 (Previous year 1,00,000) equity shares of par value ₹ 10/- each at a premium of ₹ 19/- each for offering to eligible employees of the company under Employee Stock Option Scheme 2010. These shares reserved for issue are not yet vested.

2.2 RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
	₹	₹
General Reserve - opening balance	15,376,000	14,376,000
Add: Transferred from Surplus	5,000,000	1,000,000
	20,376,000	15,376,000
Share Premium- opening balance	23,165,000	23,165,000
	23,165,000	23,165,000
Surplus in the Statement of Profit and Loss	67,184,156	64,681,119
Add: Profit for the year as per Statement of Profit and Loss	75,978,933	10,050,618
Amount available for appropriation	143,163,089	74,731,737
Appropriations:		
Proposed Dividend	5,615,000	5,615,000
Tax on Proposed dividend	910,894	932,581
Special Dividend	11,230,000	-
Tax on Special dividend	1,821,787	-
Amount transferred to General Reserve	5,000,000	1,000,000
Net surplus in the Statement of Profit and Loss	118,585,408	67,184,156
Total Reserves and surplus	162,126,408	105,725,156

- i) During the year ended 31st March, 2012, the Board of Directors has declared a special dividend of ₹2/- per equity share. Further, the Board of directors has proposed a final dividend of ₹ 1/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 1,68,45,000/- and corporate dividend tax of ₹ 27,32,681/-.

ii) During the year ended 31st March, 2011, Dividend ₹ 1/- per equity share was recognised as distribution to equity shareholders. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 56,15,000/- and corporate dividend tax of ₹ 9,32,581/-.

2.3 LONG TERM BORROWINGS	As at	As at
	31.03.2012	31.03.2011
	₹	₹
Vehicle Loans		
From Banks - Secured	1,924,773	1,595,103
	1,924,773	1,595,103

a) Nature of Security

The vehicle loans are secured by way of hypothecation of the vehicle purchased. The loan carries interest within the range of 9.5% -10.5% p.a.

b) Terms of repayment:

Sl. No.	Name of the banks/entities	Amount outstanding as at 31st March, 2012		Period of maturity w.r.t Balance Sheet date	Number of instalments due as on 31.03.12	Amount of each Instalment # ₹
		Current* ₹	Non Current ₹			
1	HDFC Bank	959,163	1,401,002	2 years 10 months	34	80,001
		-	-	-	-	-
		715,537	-	1 year 7 months	19	40,630
		(285,192)	(831,333)	(2 years 7 months)	(31)	(40,630)
		315,600	310,025	2 years 3 months	27	26,300
		-	-	-	-	-
		295,968	213,746	1 year 11 months	23	24,664
		(295,968)	(440,368)	(2 years 11 months)	(35)	(24,664)
	362,291	-	10 months	10	37,570	
	(450,840)	(323,402)	(1 year 10 months)	(22)	(37,570)	
	Total	2,648,559	1,924,773			
		(1,032,000)	(1,595,103)			

Figures in bracket pertains to previous year.

* Represents current maturities of long term debts shown under 'Other current liabilities (Note no. 2.6)

Instalments include interest.

2.4 DEFERRED TAX LIABILITIES	As at	As at
	31.03.2012	31.03.2011
	₹	₹
Depreciation/amortisation	455,869	2,384,219
	455,869	2,384,219

2.5 SHORT TERM BORROWINGS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Other loans and advances		
From banks - Secured		
Short term loan	-	20,000,000
Bank overdraft	-	304,029
	-	20,304,029

Nature of Security

- a) Short term loan from bank was secured against pledge of fixed deposits amounting to ₹ 1,00,00,000/-.
- b) Bank overdraft was secured against pledge of fixed deposits.

2.6 OTHER CURRENT LIABILITIES	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Current maturities of long-term debt*	2,648,559	1,032,000
Unclaimed dividend**	430,903	376,453
Other payables		
Security/margin deposits	8,563,426	9,363,784
Advance from customers and others	904,707	965,310
Accrued expenses	10,803,887	2,779,355
Statutory liabilities	1,754,528	690,646
	25,106,010	15,207,548

* Refer note no. 2.3 (a) & (b) for nature of securities and terms of repayment respectively.

** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956.

2.7 SHORT TERM PROVISIONS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Proposed dividend	5,615,000	5,615,000
Provision for		
Income taxes	5,688,399	1,750,148
Tax on dividend	910,894	932,581
	12,214,293	8,297,729

2.8 FIXED ASSETS

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.11 ₹	Additions during the year ₹	Deduction/ Adjustments during the year ₹	As at 31.03.12 ₹	Upto 01.04.11 ₹	Depreciation for the year ₹	Deduction/ Adjustments during the year ₹	Upto 31.03.12 ₹	As at 31.03.12 ₹	As at 31.03.11 ₹
TANGIBLE ASSETS:										
Office Equipments	3,484,671	-	2,961,422	523,249	576,115	25,491	589,520	12,086	511,163	2,908,556
Furniture and Fixtures	11,093,079	-	2,233,075	8,860,004	2,074,166	463,626	538,421	1,999,371	6,860,633	9,018,913
Computers, Servers and other Information Technology Equipments	11,229,997	375,615	8,810,120	2,795,492	6,207,734	435,899	6,304,114	339,519	2,455,973	5,022,263
Vehicles	6,828,863	3,688,389	1,656,157	8,861,095	1,594,091	576,137	817,244	1,352,984	7,508,111	5,234,772
Total	32,636,610	4,064,004	15,660,774	21,039,840	10,452,106	1,501,152	8,249,299	3,703,959	17,335,881	22,184,504
Corresponding figure for the previous year	29,851,503	4,346,779	1,561,672	32,636,610	9,231,998	2,156,396	936,288	10,452,106	22,184,504	-

Particulars	GROSS BLOCK			ACCUMULATED AMORTISATION				NET BLOCK		
	As at 01.04.11 ₹	Additions during the year ₹	Deduction/ Adjustments during the year ₹	As at 31.03.12 ₹	Upto 01.04.11 ₹	Amortisation for the year ₹	Deduction/ Adjustments during the year ₹	Upto 31.03.12 ₹	As at 31.03.12 ₹	As at 31.03.11 ₹
INTANGIBLE ASSETS										
Computer Software	14,973,347	1,153,078	-	16,126,425	9,159,607	4,017,390	-	13,176,997	2,949,428	5,813,740
Stock Exchange Card	200,000	-	-	200,000	-	-	-	-	200,000	200,000
Total	15,173,347	1,153,078	-	16,326,425	9,159,607	4,017,390	-	13,176,997	3,149,428	6,013,740
Corresponding figure for the previous year	13,628,522	1,544,825	-	15,173,347	5,802,477	3,357,130	-	9,159,607	6,013,740	-

2.9 NON - CURRENT INVESTMENTS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Long Term Investments (At cost) Investment In Equity shares-Trade Unquoted - Fully Paid up Subsidiary company: 10,00,000 (Previous Year 10,00,000) Equity Shares of ₹ 10 each SKP Commodities Pvt. Ltd.	10,000,000	10,000,000
Aggregate value of unquoted Investments	10,000,000	10,000,000

2.10 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Security deposits	52,788,981	43,033,550
	52,788,981	43,033,550

2.11 OTHER NON-CURRENT ASSETS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Fixed deposits with banks (Non current portion with original maturity period of more than 12 months) - Margin deposit	2,761,148	-
	2,761,148	-

2.12 NON - CURRENT INVESTMENTS (At lower of cost and fair value)	As at 31.03.2012 ₹	As at 31.03.2011 ₹
In mutual funds (Fully paid up) Unquoted: 4,19,192.602 (Previous Year Nil) units of ₹ 100 each in ICICI Prudential Liquid Fund	49,675,162	-
1,09,139.786 (Previous Year Nil) units of ₹ 100 each in Birla Sunlife Saving Fund	10,921,400	-
17,247.325 (Previous Year Nil) units of ₹ 100 each in ICICI Prudential Floating Rate	1,725,638	-
	62,322,200	-
Aggregate amount of unquoted investments	62,322,200	-
Aggregate provision for diminution in value of investments	-	-

2.13 TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
	₹	₹
a) Debts outstanding for a period exceeding six months - Unsecured		
Considered good	399,805	2,955,281
b) Other debts - Unsecured		
Considered good	17,883,000	5,527,309
	18,282,805	8,482,590

2.14 CASH AND BANK BALANCES	As at 31.03.2012	As at 31.03.2011
	₹	₹
Cash and cash equivalents		
Balances with banks		
In current accounts	5,735,199	37,000,005
Cash-on-hand	121,829	472,721
Other bank balances	5,857,028	37,472,726
Earmarked balances		
Unpaid dividend	430,903	376,453
Current deposits*	41,129,815	55,178,245
Margin deposit/Security		
Current portion of original maturity period more than 12 months		
- Fixed Deposit pledged as margin deposits with exchange /and against guarantees	58,029,113	54,661,930
- Fixed Deposit pledged as security against borrowings	10,000,000	10,000,000
Stamps-on-hand	92,007	95,058
	115,538,866	157,784,412

*Balances with banks in Client Money accounts, not available for use of the Company.

2.15 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)	As AT 31.03.2012	As AT 31.03.2011
	₹	₹
Other loans and advances		
Prepaid expenses	998,035	457,311
Advance to staff and others	1,271,385	5,110,922
	2,269,420	5,568,233

2.16 OTHER CURRENT ASSETS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Interest accrued but not due on bank deposits	2,675,074	2,160,157
TDS and other recoverable	923,445	-
	3,598,519	2,160,157

2.17 REVENUE/INCOME FROM OPERATIONS	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Sale of services		
Distribution services	36,100,637	35,007,445
Broking services	56,803,382	93,284,670
Depository services	3,801,260	4,167,865
Advisory services	145,210,278	4,163,300
	241,915,557	136,623,280
Income from arbitrage	284,791	-
Other operating revenues		
Dividend income on current investment	6,094,649	414,297
Interest income (Gross)		
On fixed deposits	5,349,952	4,672,427
On margin deposits	1,096,381	1,014,642
On late payment from clients	2,431,595	3,573,774
	14,972,577	9,675,140
	257,172,925	146,298,420

2.18 OTHER INCOME	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Other non-operating income		
Miscellaneous income	136,793	1,013,192
	136,793	1,013,192

2.19 EMPLOYEE BENEFIT EXPENSES	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Salaries, bonus etc.	43,652,875	34,115,563
Contribution to provident & other funds	572,114	426,111
Staff welfare expenses	1,777,804	1,540,474
	46,002,793	36,082,148

2.20 FINANCE COST	Year Ended	Year Ended
	31.03.2012	31.03.2011
	₹	₹
Interest expenses		
On short term borrowings	1,255,707	2,065,852
Other borrowings cost	187,712	528,101
	1,443,419	2,593,953

2.21 OTHER EXPENSES	Year Ended	Year Ended
	31.03.2012	31.03.2011
	₹	₹
Rent	7,746,356	7,630,094
Rates and taxes	353,636	35,392
Repairs :		
Buildings	1,127,420	1,170,140
Others	1,440	424,218
Insurance Expenses	55,190	64,340
Brokerage and commission	43,848,155	32,959,690
Computer Expenses	3,974,000	2,910,259
Research Expenses	1,252,192	1,271,166
Payment to auditors		
As auditor for statutory audit	75,000	75,000
For tax audit	25,000	25,000
For other services	25,000	25,000
Electricity expenses	2,534,750	1,669,218
Connectivity charges	2,924,291	2,741,099
Director Sitting Fess	140,000	190,000
Bad debt written off	4,631,733	16,407,539
Advances written off	1,515,632	-
Loss on sale/discard of Fixed Assets	688,795	625,383
Miscellaneous Expenses	17,866,252	20,037,425
	94,984,022	88,260,963

Notes to accounts (Contd.)

Note No : 2.22

Other disclosures

1. Contingent liabilities :

	As at 31.03.2012	As at 31.03.2011
	₹	₹

Claims against the Company not acknowledged as debts :

Service tax demand - under appeal	5,690,264	5,690,264
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The above amount represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

2. The company does not have any dues to Micro and Small Enterprises as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (Previous year - Rs. NIL)
3. The Employee Stock Option Scheme (SKP ESOP Plan 2010) of the Company was formulated in the year 2010. Under the said Scheme, Options granted have vesting period of one to three years and exercise period of maximum five years. The details of Options granted, lapsed and exercised as on 31st March, 2012 are as under :

Year of Issue	2010-11
Date of grant of Option	21.05.2011
Exercise Price (₹)	29.00
Market Price on the date of grant (₹)	27.10
Excess of Market Price over Exercise Price (‘)	(1.90)
Number of Options granted upto 31.03.2011	100,000
Number of Options exercised upto 31.03.2011	-
Number of Options lapsed upto 31.03.2011	-
Number of Options outstanding on 01.04.2011	100,000
Number of Options exercised during the year	-
Number of Options lapsed during the year	23,000
Number of Options outstanding on 31.03.2012	77,000

Note : Refer Director's Report for other disclosures.

4. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
a) Amount used as the numerator (₹) Profit after Tax - (A)	75,978,933	10,050,618
b) Weighted average number of Equity Shares Outstanding used as the denominator for computing Basic Earnings per Share - (B)	5615000	5615000
c) Weighted average number of Equity Shares Outstanding used as the denominator for computing Diluted Earnings per Share - (C)	5615000	5615000
d) Nominal value of Equity Shares (₹)	10	10
e) Basic Earnings per Share (₹) (A/B)	13.53	1.79
f) Diluted Earnings per Share (₹) (A/C)	13.53	1.79

5. Employee Benefits :

As per Accounting Standard - 15 " Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

Defined Contribution Plan	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Employers' Contribution to Provident Fund	14,159	21,093

Defined Benefit Plan:

Long-term employee benefits in the forms of gratuity are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

a) Details of funded post retirement plans are as follows : (Amount in ₹)

	31.03.2012	31.03.2011
Particulars	Gratuity	Gratuity
I. Components of Employer Expense:		
1 Current Service Cost	375,128	957,811
2 Past Service Cost	-	-
3 Interest Cost	143,791	92,368
4 Expected return on Plan Assets	113,380	120,255
5 Actuarial (Gain)/Loss recognised in the year	152,416	(198,025)
6 Expense recognised in Profit & Loss Account	557,955	731,599
II. Change in Present Value of Defined Benefit Obligation:		
1 Present value of Defined Benefit Obligation at the beginning of the year	1,795,909	1,154,000
2 Acquisition Adjustment	-	-
3 Interest Cost	143,791	92,368
4 Past Service Cost	-	-
5 Current Service Cost	375,128	957,811
6 Employees Contribution	-	-
7 Benefits Paid	208,509	134,614
8 Actuarial (Gain) / Loss	13,219	(273,656)
9 Present value of Defined Benefit Obligation at the end of the year	2,119,538	1,759,909
III. Change in Fair Value of Plan Assets during the period:		
1 Plan Assets at the beginning of the year	1,417,248	1,506,938
2 Expected return on Plan Assets	113,380	120,555
3 Actual Company Contribution	378,661	
4 Benefits paid	208,509	134,614
5 Actuarial Gain / (Loss)	(139,197)	(75,631)
6 Plan Assets at the end of the year	1,561,583	1,417,248
IV. Net Asset / (Liability) recognised in the Balance Sheet as at year end:		
1 Present value of Defined Benefit Obligation	2,119,538	1,795,909
2 Fair value of Plan Assets	1,561,583	1,417,248
3 Funded Status [Surplus/(Deficit)]	(557,955)	(378,661)
4 Net Asset / (Liability) recognised in Balance Sheet	(557,955)	(378,661)
V. Actuarial Assumptions:		
1 Discount Rate (per annum) %	8.50	8.50
2 Expected return on Plan Assets (per annum) %	8.00	8.00
3 Retirement/Superannuation Age (Year)	58	58
4 Mortality Rates	LICI 1994-1996	LICI 1994-1996

VI. Major Category of Plan Assets as a % of the Total Plan Assets as at year end:	31.03.2012	31.03.2011
Administered by Insurance Companies (The details with respect to the composition of investment in the fair value of plan assets have not been disclosed in the absence of availability of information)	100%	100%
VII. Basis used to determine the expected Rate of return on Plan Assets :		
The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.		

b) Other disclosures :

i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under "Contribution to Provident Fund and Other Funds" under Note no. 2.19.

iii) The history of experience adjustments for funded post retirement plans are as follows :

(Amount in ₹)

Particulars	As at	As at	As at	As at
	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Gratuity				
Present Value of Defined Benefit obligation	2,119,538	1,795,909	1,154,000	978667
Fair Value of plan assets	1,561,583	1,417,248	1,506,938	1059531
(Deficit)/Surplus	(557,955)	(378,661)	352,938	80,864

6. Segment information as per Accounting Standard - 17 on 'Segment Reporting':

The Company is primarily engaged in a single business segment of Broking & Dealing in Securities and related services. All the activities of the company revolves around the main business. As such there are no separate reportable segments as per Accounting Standard - 17 "Segment Reporting" notified by the Central Government under the Companies (Accounting Standard) Rules 2006.

7. Related party disclosures as per Accounting Standard - 18 are given below:

a) Name of the related parties and description of relationship:

- i) Subsidiaries : SKP Commodities Ltd.
(Control exists)
- ii) Key Managerial Personnel (KMP): Mr. Naresh Pachisia, Managing Director
Mr. Rajesh Pachisia, Managing Director

- iii) Relatives of Key Managerial Personnel :
- | | |
|---------------------|--|
| Mr. Naresh Pachisia | Mrs. Manju Pachisia (Wife)
Mr. Nikunj Pachisia (Son)
Mrs. Suraj Devi Pachisia (Mother) |
| Mr. Rajesh Pachisia | Mrs. Vatsala Pachisia (Wife)
Mrs. Suraj Devi Pachisia (Mother) |
- iv) Concerns over which KMP and their relatives have substantial interest :
- | |
|---|
| M/s. Surendra Kumar Pachisia & Sons (HUF) |
| M/s. Naresh Pachisia & Sons (HUF) |
| M/s. Rajesh Pachisia & Sons (HUF) |

b) Transactions with Related parties :

(Amount in ₹)

Nature of transaction / Name of the related party	Concerns over		Key Managerial Personnel (KMP)	Relatives of KMP	Total
	Subsidiaries which KMP and their relatives have substantial interest				
i) Receiving of Services					
Naresh Pachisia	-	-	6,444,000	-	6,444,000
	-	-	(2,400,000)	-	(2,400,000)
Rajesh Pachisia	-	-	6,444,000	-	6,444,000
	-	-	(2,400,000)	-	(2,400,000)
Nikunj Pachisia	-	-	-	109,656	109,656
	-	-	-	(94,807)	(94,807)
ii) Rendering of Services					
Demat Charges Received	-	839	1,136	1,490	3,465
	-	(826)	(737)	(1,283)	(2,846)
Brokerage Earned	-	6	1,592	249	1,847
	-	-	(10,226)	(8,504)	(18,730)
iii) Dividend Paid to Shareholders					
Naresh Pachisia	-	-	3,011,550	-	3,011,550
	-	-	(1,003,850)	-	(1,003,850)
Rajesh Pachisia	-	-	3,528,450	-	3,528,450
	-	-	(1,176,150)	-	(1,176,150)
Manju Pachisia	-	-	-	600,000	600,000
	-	-	-	(200,000)	(200,000)
Vatsala Pachisia	-	-	-	600,000	600,000
	-	-	-	(200,000)	(200,000)
Nikunj Pachisia	-	-	-	152,550	152,550
	-	-	-	(50,850)	(50,850)
Suraj Devi Pachisia	-	-	-	600,000	600,000
	-	-	-	(200,000)	(200,000)
Naresh Pachisia HUF	-	621,900	-	-	621,900
	-	(207,300)	-	-	(207,300)
Rajesh Pachisia HUF	-	257,550	-	-	257,550
	-	(85,850)	-	-	(85,850)
Surendra Kumar Pachisia & Sons (HUF)	-	3,257,100	-	-	3,257,100
	-	(1,085,700)	-	-	(1,085,700)
iv) Balance Outstanding					
Accounts payable	-	-	-	-	-
	-	-	-	-	-

- c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- d) No amount has been written back / written off during the year in respect of due to / from related parties.
- e) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
- f) Figures in brackets pertain to previous year.

8. Disclosure under clause 32 of the Listing Agreement :

There are no transactions with Subsidiary Company which are required to be disclosed under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited.

9. Expenditure in foreign currency

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Subscription	69,435	69,059

10. Earnings in foreign currency

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Advisory Services	107,387	-

11. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has Significantly impacted the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Kolkata

Dated : May 25, 2012

For and on behalf of Board of Directors

Naresh Pachisia Rajesh Pachisia

Managing Directors

Sarita Agarwal

Company Secretary

Auditor's Report on Consolidated Financial statements

To the Board of Directors of SKP Securities Limited,

1. We have audited the attached Consolidated Balance Sheet of SKP SECURITIES LIMITED, its Subsidiary as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components thereof. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. The financial statements for the year ended 31st March, 2012 of SKP Commodities Limited, the Subsidiary Company whose total assets of ₹ 3,94,42,107/- and total revenue of ₹ 2,66,30,251/- and the related Cash Flows have been proportionately consolidated.

4. We report that the Consolidated Financial Statements have been prepared by the management of SKP Securities Limited in accordance with the

requirements of Accounting Standard- 21, "Consolidated Financial Statements" as notified under Companies (Accounting Standard) Rules, 2006 on the basis of separate audited financial statements of SKP Commodities Limited, its Subsidiary.

5. Based on our audit and on consideration of the reports on separate financial statements of Subsidiary, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the Consolidated Balance Sheet, of the state of affairs of SKP Securities Limited, its Subsidiary as at 31st March, 2012;

ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For G. P. AGRAWAL & CO.

*Chartered Accountants
Firm Registration No. 302082E*

CA SUNITA KEDIA

Partner
(Membership No. 60162)

Kolkata
Dated: May 25, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	NOTE NO.	As at	As at
		31.03.2012	31.03.2011
		₹	₹
I EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	56,150,000	56,150,000
(b) Reserves and surplus	2.2	166,731,373	107,215,443
		<u>222,881,373</u>	<u>163,365,443</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	1,924,773	1,595,103
(b) Deferred tax liabilities	2.4	472,063	2,395,174
		<u>2,396,836</u>	<u>3,990,277</u>
(3) Current Liabilities			
(a) Short-term borrowings	2.5	-	20,304,029
(b) Trade payables		52,442,489	52,737,522
(c) Other current liabilities	2.6	27,244,242	15,973,838
(d) Short-term provisions	2.7	12,524,416	8,291,342
		<u>92,211,147</u>	<u>97,306,731</u>
TOTAL		<u>317,489,356</u>	<u>264,662,451</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	2.8		
(i) Tangible assets		17,561,870	22,221,376
(ii) Intangible assets		3,149,428	6,013,740
(b) Long-term loans & advances	2.9	62,063,981	46,708,550
(c) Other non-current assets	2.10	10,761,148	-
		<u>93,536,427</u>	<u>74,943,666</u>
(2) Current Assets			
(a) Current investments	2.11	62,322,200	-
(b) Trade receivables	2.12	18,600,468	8,761,405
(c) Cash & bank balances	2.13	136,567,215	172,520,404
(d) Short-term loans & advances	2.14	2,408,473	5,621,386
(e) Other current assets	2.15	4,054,573	2,815,590
		<u>223,952,929</u>	<u>189,718,785</u>
TOTAL		<u>317,489,356</u>	<u>264,662,451</u>
Basis of consolidation and Significant Accounting Policies	1		
Notes to consolidated accounts	2		

The Significant accounting policies and notes to accounts are an integral part of the consolidated Financial statement.

As per our report of even date attached **For and on behalf of Board of Directors**
For G. P. AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 302082E

CA SUNITA KEDIA
 Partner
 (Membership No. 60162)

Naresh Pachisia Rajesh Pachisia
 Managing Directors

Kolkata
 Dated: May 25, 2012

Sarita Agarwal
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2012

PARTICULARS	NOTE NO.	Year Ended	Year Ended
		31.03.12	31.03.11
		₹	₹
I. Revenue/Income from operations	2.16	283,803,176	150,280,456
II. Other income	2.17	136,793	1,013,192
III. Total Revenue (I + II)		283,939,969	151,293,648
IV. Expenses			
Employee benefits expense	2.18	46,939,294	36,547,529
Finance costs	2.19	1,443,419	2,593,953
Depreciation and amortization expenses	2.8	5,529,784	5,538,106
Other expenses	2.20	116,174,443	90,964,916
Total Expenses		170,086,940	135,644,504
V. Profit before tax (III-IV)		113,853,029	15,649,144
VI. Tax Expenses			
(1) Current tax		36,682,528	5,210,186
(2) Deferred tax		(1,923,111)	(722,021)
(3) Tax in respect of earlier years written off/(back)		-	566,765
		34,759,417	5,054,930
Profit for the period (V-VI)		79,093,612	10,594,214
VIII. Earnings per equity share (Face value Rs. 10/- each):			
Basic	2.21(4)	14.09	1.89
Diluted	2.21(4)	14.09	1.89

Basis of consolidation and

Significant Accounting Policies 1

Notes to consolidated accounts 2

The Significant accounting policies and notes to accounts are an integral part of the consolidated Financial statement.

As per our report of even date attached **For and on behalf of Board of Directors**
For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Naresh Pachisia Rajesh Pachisia

Managing Directors

Kolkata

Dated: May 25, 2011

Sarita Agarwal

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2012

Particulars	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Exceptional Items and Extra Ordinary Items and Tax	113,853,028	15,649,144
<i>Adjustments to reconcile Profit before Exceptional Items, Extra Ordinary Items and Tax to Cash Flow provided by Operating Activities :</i>		
Finance Cost	1,443,419	2,593,953
Depreciation & Amortisation Expense	5,529,784	5,538,106
Loss on Sale/Discard of Tangible Fixed Assets	6,887,975	625,383
Sundry Debit Balances / Advances Written off	1,515,632	-
Bad Debts Written off	4,668,690	16,407,539
Operating Profit before Working Capital changes	133,898,528	40,814,125
<i>Adjustments to reconcile Operating Profit to Cash Flow Provided by changes in Working Capital :</i>		
Trade Payables	1,904,550	30,893,573
Other Current Liabilities	9,599,397	(4,276,530)
Current investments	(62,322,200)	-
Trade Receivables	(14,507,753)	(19,013,310)
Long Term loans and advances	(15,355,431)	6,251,252
Short Term loans and advances	1,697,280	478,124
Other Non Current Assets	(10,761,148)	-
Other Current Assets	(400,990)	(41,905)
Cash Generated from Operations	43,752,234	55,105,329
Tax Expense	(32,427,767)	(5,041,159)
Cash Flow before Extraordinary Items	11,324,467	50,064,170
Exceptional / Extraordinary Items	-	-
Net Cash Generated / Used - Operating Activities	11,324,467	50,064,170
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Tangible Fixed Assets	(4,264,364)	(4,346,779)
Sale of Tangible Fixed Assets	523,500	-
Additions to Intangible Fixed Assets	(1,153,078)	(1,544,825)
Net Cash Generated / Used - Investing Activities	(4,893,942)	(5,891,604)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	2,978,229	368,892
Repayment of Long Term Borrowings	(1,032,000)	(554,000)
Proceeds/(Repayment) of Short Term Borrowings [Net]	(20,304,029)	(3,032,393)
Finance Cost	(1,443,419)	(2,593,953)
Dividend Paid	(16,845,000)	(5,615,000)
Dividend Distribution Tax Paid	(2,754,368)	(954,269)
Net Cash Generated / Used - Financing Activities	(39,400,587)	(12,380,723)
Net Increase in Cash & Cash Equivalents (A+B+C)	(32,970,063)	31,791,843
Opening Cash and Cash Equivalents	39,351,136	7,559,293
Closing Cash and Cash Equivalents (Note 2.14)	6,381,073	39,351,136
Notes:		
1) Cash and Cash Equivalents at the end of the period consists of:		
a) Balance with Banks on Current Accounts	6,255,565	38,869,386
b) Cash on hand	125,509	481,750
	<u>6,381,073</u>	<u>39,351,136</u>
2) Figure in brackets represent cash outflow from respective activities.		

As per our report of even date attached

For and on behalf of Board of Directors

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Kolkata

Dated : May 25, 2012

Naresh Pachisia Rajesh Pachisia
Managing Directors

Sarita Agarwal
Company Secretary

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Consolidation

The Consolidated Financial Statements relate to SKP Securities Limited ("The Company"), its Subsidiary. The Company and its Subsidiary constitute the Group.

i) Basis of Accounting :

- a) The Financial Statements of the Subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. 31st March, 2012.
- b) The Consolidated Financial Statements of the Group have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and other Generally Accepted Accounting Principles in India. These Consolidated Financial Statements are, in so far as they relate to amounts included in respect of Subsidiary company in the audited financial statements, prepared for consolidation in accordance with the requirements of Accounting Standard - 21.

ii) Principles of Consolidation :

The Consolidated Financial Statements have been prepared on the following basis:

The Financial Statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.

1.2 Basis of preparation of Financial Statements

The Financial Statements are prepared on an accrual basis and under the historical cost convention and in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006 notified by the Central Government of India.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.

1.3 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

1.4 Fixed Assets and Intangible Assets

- a) Fixed Assets are stated at their original cost less accumulated depreciation and impairments, if any.
- b) Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.

1.5 Depreciation and Amortization

- a) Depreciation on Fixed Assets is provided on Written Down Value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation/amortisation on assets added, sold or discarded during the year has been provided on pro-rata basis.
- c) Stock Exchange membership card is not being amortised.
- d) Computer Software (Acquired) are amortised on straight line basis over a period of four years.

1.6 Investments

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

1.7 Revenue Recognition

- a) Income from broking activities and transactions in respect of dealing in shares, securities and Commodities are recognised on the date of settlement on the respective stock and commodity exchanges.
Income from depository and other services is recognized when the right to receive the same is established.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income is recognized when the Company's right to receive dividend is established.
- d) All other income are accounted for on accrual basis.

1.8 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Re-imbusement expected in respect of expenditure to settle a provision is recognized only when it is virtually certain that the re-imbusement will be received.

A Contingent Asset is not recognized in the Accounts.

1.9 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.10 Foreign Currency Transactions

Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

1.11 Employee Benefits

a) Defined Contribution Plan

Company's contribution towards Provident Fund are charged to the Statement of Profit and loss for the year to which it relates.

b) Defined Benefit Plan

Company's liability towards gratuity is defined benefit plan. The company has opted for a Group Gratuity cum Life Assurance Scheme of Birla Sun Life Insurance Company Limited and the contribution towards gratuity liability as determined by Birla Sun Life Insurance Company Limited is recognized as an expense in the Statement of Profit and Loss for the year to which it relates as required under Accounting Standard 15 -Employee Benefits.

1.12 Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets, if any are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

1.13 Research Expenses

Research costs are expensed as incurred.

1.14 Earnings Per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES TO CONSOLIDATED ACCOUNTS

2.1 SHARE CAPITAL	As at		As at	
	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
a) Authorised				
Equity shares of ₹ 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
b) Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each fully paid up	5,615,000	56,150,000	5,615,000	56,150,000

c) Terms / rights attached to equity shares:

Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shareholder's holdings more than 5% shares in the company:

Name of Shareholders	As at 31.03.2012		As at 31.03.2011	
	No.	% holding	No.	% holding
Mr. Naresh Pachisia	1,003,850	17.88	1,003,850	17.88
Mr. Rajesh Pachisia	1,176,150	20.95	1,176,150	20.95

e) Details of shares reserved for issuance:

The company has reserved for issue of 77,000 (Previous year 1,00,000) equity shares of par value ₹ 10/- each at a premium of ₹ 19/- each for offering to eligible employees of the company under Employee Stock Option Scheme 2010. These shares reserved for issue are not yet vested.

2.2 RESERVES AND SURPLUS	As at	As at
	31.03.2012	31.03.2011
	₹	₹
General Reserve - opening balance	15,376,000	14,376,000
Add: Transferred from Surplus	5,000,000	1,000,000
	20,376,000	15,376,000
Share Premium- opening balance	23,165,000	23,165,000
Surplus in the Statement of Profit and Loss	68,674,442	65,627,810
Add: Profit for the year as per Statement of Profit and Loss	79,093,612	10,594,214
Amount available for appropriation	147,768,054	76,222,024
Appropriations:		
Proposed Dividend	5,615,000	5,615,000
Tax on Proposed dividend	910,894	932,581
Special Dividend	11,230,000	-
Tax on Special dividend	1,821,787	-
Amount transferred to General Reserve	5,000,000	1,000,000
Net surplus in the Statement of Profit and Loss	123,190,373	68,674,443
Total Reserves and surplus	166,731,373	107,215,443

- i) During the year ended 31st March, 2012, the Board of Directors has declared a special dividend of ₹ 2/- per equity share. Further, the Board of directors has proposed a final dividend of ₹ 1/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 1,68,45,000/- and corporate dividend tax of ₹ 27,32,681/-.

- ii) During the year ended 31st March, 2011, Dividend ₹ 1/- per equity share was recognised as distribution to equity shareholders. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 56,15,000/- and corporate dividend tax of ₹ 9,32,581/-.

2.3 LONG TERM BORROWINGS	As at	As at
	31.03.2012	31.03.2011
	₹	₹
Vehicle Loans		
From banks - Secured	1,924,773	1,595,103
	1,924,773	1,595,103

a) Nature of Security

The vehicle loans are secured by way of hypothecation of the vehicle purchased.

b) Terms of repayment:

Sl. No.	Name of the banks/entities	Amount outstanding as at 31.03.2012		Period of maturity w.r.t Balance Sheet Date	Number of instalments due as on 31.03.12	Amount of each instalment # (₹)
		Current* ₹	Non Current ₹			
1	HDFC Bank	959,163	1,401,002	2 years 10 months	34	80,001
		-	-	-	-	-
		715,537	-	1 year 7 months	19	40,630
		(285,192)	(831,333)	(2 years 7 months)	(31)	(40,630)
		315,600	310,025	2 years 3 months	27	26,300
		-	-	-	-	-
		295,968	213,746	1 year 11 months	23	24,664
		(295,968)	(440,368)	(2 years 11 months)	(35)	(24,664)
362,291	-	10 months	10	37,570		
	(450,840)	(323,402)	(1 year 10 months)	(22)	(37,570)	
	Total	2,648,559	1,924,773			
		(1,032,000)	(1,595,103)			

Figures in bracket pertains to previous year.

* Represents current maturities of long term debts shown under 'Other current liabilities (Note no. 2.6)

Instalments include interest.

2.4 DEFERRED TAX LIABILITIES	As at	As at
	31.03.2012	31.03.2011
	₹	₹
Depreciation/amortisation	472,063	2,395,174
	472,063	2,395,174

2.5 SHORT TERM BORROWINGS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Other loans and advances		
From banks - Secured		
Short term loan	-	20,000,000
Bank overdraft	-	304,029
	-	20,304,029

Nature of Security

- a) Short term loan from bank was secured against pledge of fixed deposits
- b) Bank overdraft was secured against pledge of fixed deposits.

2.6 OTHER CURRENT LIABILITIES	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Current maturities of long-term debt*	2,648,559	1,032,000
Unclaimed dividend**	430,903	376,453
Other payables		
Security/margin deposits	9,344,221	9,767,020
Advance from customers and others	934,745	990,310
Accrued expenses	11,749,925	2,977,822
Statutory liabilities	2,135,889	704,541
Book overdraft balances	-	125,692
	27,244,242	15,973,838

* Refer note no. 2.3 (a) & (b) for nature of securities and terms of repayment respectively.

** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956.

2.7 SHORT TERM PROVISIONS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Proposed dividend	5,615,000	5,615,000
Provision for		
Income taxes (Net)	5998522	1,743,761
Tax on dividend	910,894	932,581
	12,524,416	8,291,342

2.8 FIXED ASSETS

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.11 ₹	Additions during the year ₹	Deduction/ Adjustments during the year ₹	As at 31.03.12 ₹	Upto 01.04.11 ₹	Depreciation for the year ₹	Deduction/ Adjustments during the year ₹	Upto 31.03.12 ₹	As at 31.03.11 ₹
TANGIBLE ASSETS:									
Office Equipments	3,484,671	130,525	2,961,422	653,774	576,115	29,330	589,520	15,925	637,849
Furniture and Fixtures	11,093,079	-	2,233,075	8,860,004	2,074,166	463,626	538,421	1,999,371	6,860,633
Computers, Servers and other Information Technology Equipments	11,649,000	445,450	8,810,120	3,284,330	6,589,867	443,302	6,304,114	729,055	2,555,275
Vehicles	6,828,863	3,688,389	1,656,157	8,861,095	1,594,091	576,137	817,244	1,352,984	7,508,111
Total	33,055,613	4,264,364	15,660,774	21,659,203	10,834,239	1,512,395	8,249,299	4,097,335	17,561,868
Corresponding figure for the previous year	30,270,506	4,346,779	1,561,672	33,055,613	9,589,551	2,180,976	936,288	10,834,239	22,221,374

Particulars	GROSS BLOCK			ACCUMULATED AMORTISATION			NET BLOCK		
	As at 01.04.11 ₹	Additions during the year ₹	Deduction/ Adjustments during the year ₹	As at 31.03.12 ₹	Upto 01.04.11 ₹	Amortisation for the year ₹	Deduction/ Adjustments during the year ₹	Upto 31.03.12 ₹	As at 31.03.11 ₹
INTANGIBLE ASSETS									
Computer Software	14,973,347	1,153,078	-	16,126,425	9,159,607	4,017,390	-	13,176,997	2,949,428
Stock Exchange Card	200,000	-	-	200,000	-	-	-	-	200,000
Total	15,173,347	1,153,078	-	16,326,425	9,159,607	4,017,390	-	13,176,997	3,149,428
Corresponding figure for the previous year	13,628,522	1,544,825	-	15,173,347	5,802,477	3,357,130	-	9,159,607	6,013,740

2.9 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Security deposits	62,063,981	46,708,550
	62,063,981	46,708,550

2.10 OTHER NON-CURRENT ASSETS	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Fixed deposits with banks (Non current portion with original maturity period of more than 12 months)		
- Margin deposit	10,761,148	-
	10,761,148	-

2.11 CURRENT INVESTMENTS (At lower of cost and fair value)	As at 31.03.2012 ₹	As at 31.03.2011 ₹
In mutual funds (Fully paid up)		
Unquoted:		
4,19,192.602 (Previous Year Nil) units of Rs. 100 each in ICICI Prudential Liquid Fund	49,675,162	-
1,09,139.786 (Previous Year Nil) units of Rs. 100 each in Birla Sunlife Saving Fund	10,921,400	-
17,247.325 (Previous Year Nil) units of Rs. 100 each in ICICI Prudential Floating Rate	1,725,638	-
	62,322,200	-
Aggregate amount of unquoted investments	62,322,200	-

Aggregate provision for diminution in value of investments

2.12 TRADE RECEIVABLES	As at 31.03.2012 ₹	As at 31.03.2011 ₹
a) Debts outstanding for a period exceeding six months - Unsecured		
Considered good	657,344	3,232,547
b) Other debts - Unsecured		
Considered good	17,943,124	5,528,858
	18,600,468	8,761,405

2.13 CASH AND BANK BALANCES	As at 31.03.2012	As at 31.03.2011
	₹	₹
Cash and cash equivalents		
Balances with banks		
In current accounts	6,255,565	38,869,386
Cash-on-hand	125,509	481,750
	6,381,074	39,351,136
Other bank balances		
Earmarked balances		
Unpaid dividend	430,903	376,453
Current deposits*	58,634,118	60,833,701
Margin deposit/Security		
Current portion of original maturity period more than 12 months		
- Fixed Deposit pledged as margin deposits with exchange /and against guarantees	61,029,113	61,864,056
- Fixed Deposit pledged as security against borrowings	10,000,000	10,000,000
Stamps-on-hand	92,007	95,058
	136,567,215	172,520,404

*Balances with banks in Client Money accounts, not available for use of the Company.

2.14 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)	As at 31.03.2012	As at 31.03.2011
	₹	₹
Other loans and advances		
Prepaid expenses	1,030,139	457,311
Advance to staff and others	1,378,334	5,164,075
	2,408,473	5,621,386

2.15 OTHER CURRENT ASSETS	As at 31.03.2012	As at 31.03.2011
	₹	₹
Interest accrued but not due on bank deposits	2,810,281	2,684,566
TDS and other recoverable	1,244,292	131,024
	4,054,573	2,815,590

2.16 REVENUE/INCOME FROM OPERATIONS	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Sale of services		
Distribution services	36,100,637	35,007,445
Broking services	82,952,682	96,676,976
Depository services	3,801,260	4,167,865
Advisory services	145,210,278	4,163,300
	<u>268,064,857</u>	<u>140,015,586</u>
Income from arbitrage	306,031	-
Other operating revenues		
Dividend income on current investment	6,094,649	414,297
Interest income (Gross)		
On fixed deposits	5,809,663	5,262,157
On margin deposits	1,096,381	1,014,642
On late payment from clients	2,431,595	3,573,774
	<u>15,432,288</u>	<u>10,264,870</u>
	<u>283,803,175</u>	<u>150,280,456</u>

2.17 OTHER INCOME	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Other non-operating income		
Miscellaneous income	136,793	1,013,192
	<u>136,793</u>	<u>1,013,192</u>

2.18 EMPLOYEE BENEFIT EXPENSES	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Salaries, bonus etc.	44,589,376	34,580,944
Contribution to provident & other funds	572,114	426,111
Staff welfare expenses	1,777,804	1,540,474
	<u>46,939,294</u>	<u>36,547,529</u>

2.19 FINANCE COST	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Interest expenses		
On short term borrowings	1,255,707	2,065,852
Other borrowings cost	187,712	528,101
	<u>1,443,419</u>	<u>2,593,953</u>

2.20 OTHER EXPENSES	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Rent	7,746,356	7,630,094
Rates and taxes	361,030	40,292
Repairs :		
Buildings	1,127,420	1,170,140
Others	1,440	424,218
Insurance Expenses	63,760	73,285
Brokerage and commission	59,621,930	34,473,980
Computer Expenses	4,389,094	3,143,312
Research Expenses	1,323,088	1,317,666
Payment to auditors		
As auditor for statutory audit	90,000	90,000
For tax audit	27,000	26,500
For other services	25,000	25,000
Electricity expenses	2,534,750	1,669,218
Connectivity charges	2,969,716	2,949,453
Director Sitting Fess	140,000	190,000
Bad debt written off	4,668,690	16,407,539
Advances written off	1,515,632	-
Loss on sale/discard of Fixed Assets	6,887,975	625,383
Miscellaneous Expenses	22,681,562	20,708,836
	116,174,443	90,964,916

Notes to Consolidated accounts (Contd.)

Note No : 2.21

Other disclosures

1. Contingent liabilities :

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Claims against the Company not acknowledged as debts :		
Service tax demand - under appeal	5,690,264	5,690,264

The above amount represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

2. The company does not have any dues to Micro and Small Enterprises as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (Previous year - Rs. NIL)
3. The Employee Stock Option Scheme (SKP ESOP Plan 2010) of the Company was formulated in the year 2010. Under the said Scheme, Options granted have vesting period of one to three years and exercise period of maximum five years. The details of Options granted, lapsed and exercised as on 31st March, 2012 are as under :

Year of Issue	2010-11
Date of grant of Option	21.05.2011
Exercise Price (₹)	29.00
Market Price on the date of grant (₹)	27.10
Excess of Market Price over Exercise Price (₹)	(1.90)
Number of Options granted upto 31.03.2011	100,000
Number of Options exercised upto 31.03.2011	-
Number of Options lapsed upto 31.03.2011	-
Number of Options outstanding on 01.04.2011	100,000
Number of Options exercised during the year	-
Number of Options lapsed during the year	23,000
Number of Options outstanding on 31.03.2012	77,000

Note : Refer Director's Report for other disclosures.

4 Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	Year ended 31.03.2012 ₹	Year Ended 31.03.2012 ₹
a) Amount used as the numerator (₹) Profit after Tax - (A)	79,093,611	10,594,214
b) Weighted average number of Equity Shares Outstanding used as the denominator for computing Basic Earnings per Share - (B)	5615000	5615000
c) Weighted average number of Equity Shares Outstanding used as the denominator for computing Diluted Earnings per Share - (C)	5615000	5615000
d) Nominal value of Equity Shares (₹)	10	10
e) Basic Earnings per Share (₹) (A/B)	14.09	1.89
f) Diluted Earnings per Share (₹) (A/C)	14.09	1.89

5 Employee Benefits :

As per Accounting Standard - 15 " Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

Defined Contribution Plan	Year Ended 31.03.2012 ₹	Year Ended 31.03.2012 ₹
Employers' Contribution to Provident Fund	14,159	21,093

Defined Benefit Plan:

Long-term employee benefits in the forms of gratuity are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

a) Details of funded post retirement plans are as follows : (Amount in ₹)

	31.03.2012	31.03.2011
Particulars	Gratuity	Gratuity
I. Components of Employer Expense :		
1 Current Service Cost	375,128	957,811
2 Past Service Cost	-	-
3 Interest Cost	143,791	92,368
4 Expected return on Plan Assets	113,380	120,255
5 Actuarial (Gain) /Loss recognised in the year	152,416	(198,025)
6 Expense recognised in Profit & Loss Account	557,955	731,599
II. Change in Present Value of Defined Benefit Obligation :		
1 Present value of Defined Benefit Obligation at the beginning of the year	1,795,909	1,154,000
2 Acquisition Adjustment	-	-
3 Interest Cost	143,791	92,368
4 Past Service Cost	-	-
5 Current Service Cost	375,128	957,811
6 Employees Contribution	-	-
7 Benefits Paid	208,509	134,614
8 Actuarial (Gain) / Loss	13,219	(273,656)
9 Present value of Defined Benefit Obligation at the end of the year	2,119,538	1,759,909
III. Change in Fair Value of Plan Assets during the period :		
1 Plan Assets at the beginning of the year	1,417,248	1,506,938
2 Expected return on Plan Assets	113,380	120,555
3 Actual Company Contribution	378,661	-
4 Benefits paid	208,509	134,614
5 Actuarial Gain / (Loss)	(139,197)	(75,631)
6 Plan Assets at the end of the year	1,561,583	1,417,248
IV. Net Asset / (Liability) recognised in the Balance Sheet as at year end:		
1 Present value of Defined Benefit Obligation	2,119,538	1,795,909
2 Fair value of Plan Assets	1,561,583	1,417,248
3 Funded Status [Surplus/(Deficit)]	(557,955)	(378,661)
4 Net Asset/(Liability) recognised in Balance Sheet	(557,955)	(378,661)
V. Actuarial Assumptions :		
1 Discount Rate (per annum) %	8.50	8.50
2 Expected return on Plan Assets (per annum) %	8.00	8.00
3 Retirement/Superannuation Age (Year)	58	58
4 Mortality Rates	LICI 1994-1996	LICI 1994-1996

VI. Major Category of Plan Assets as a % of the Total Plan Assets as at year end:	31.03.2012	31.03.2011
1 Administered by Insurance Companies (The details with respect to the composition of investment in the fair value of plan assets have not been disclosed in the absence of availability of information)	100%	100%
VII. Basis used to determine the expected Rate of return on Plan Assets :		
The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.		

b) Other disclosures :
i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under "Contribution to Provident Fund and Other Funds" under Note no. 2.18.

iii) The history of experience adjustments for funded post retirement plans are as follows :

(Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Gratuity				
Present value of defined benefit obligation	2,119,538	1,795,909	1,154,000	978667
Fair value of plan assets	1,561,583	1,417,248	1,506,938	1059531
(Deficit)/Surplus	(557,955)	(378,661)	352,938	80,864

6 Segment information as per Accounting Standard - 17 on 'Segment Reporting':

The Company is primarily engaged in a single business segment of Broking & Dealing in Securities and related services. All the activities of the company revolves around the main business. As such there are no separate reportable segments as per Accounting Standard - 17 "Segment Reporting" notified by the Central Government under the Companies (Accounting Standard) Rules 2006.

7. Related party disclosures as per Accounting Standard - 18 are given below:
a) Name of the related parties and description of relationship:

i) Key Managerial Personnel (KMP) : Mr. Naresh Pachisia, Managing director
Mr. Rajesh Pachisia, Managing director

ii) Relatives of Key Managerial Personnel :

Mr. Naresh Pachisia

Mrs. Manju Pachisia (Wife)

Mr. Nikunj Pachisia (Son)

Mrs. Suraj Devi Pachisia (Mother)

Mr. Rajesh Pachisia

Mrs. Vatsala Pachisia (Wife)

Mrs. Suraj Devi Pachisia (Mother)

- iv) Concerns over which KMP and their (HUF) relatives have substantial interest : M/s. Surendra Kumar Pachisia & Sons
M/s. Naresh Pachisia & Sons (HUF)
M/s. Rajesh Pachisia & Sons (HUF)

b) Transactions with Related parties : (Amount in ₹)

Nature of transaction / Name of the related party	Subsidiaries which KMP and their relatives have substantial interest	Concerns over their relatives	Managerial Personnel (KMP)	Key Relatives of KMP	Total
i) Receiving of Services					
Naresh Pachisia	-	-	6,444,000	-	6,444,000
	-	-	(2,400,000)	-	(2,400,000)
Rajesh Pachisia	-	-	6,444,000	-	6,444,000
	-	-	(2,400,000)	-	(2,400,000)
Nikunj Pachisia	-	-	-	109,656	109,656
	-	-	-	(94,807)	(94,807)
ii) Rendering of Services					
Demat Charges Received	-	839	1,136	1,490	3,465
	-	(826)	(737)	(1,283)	(2,846)
Brokerage Earned	-	6	1,592	249	1,847
	-	-	(10,226)	(8,504)	(18,730)
iii) Dividend Paid to Shareholders					
Naresh Pachisia	-	-	3,011,550	-	3,011,550
	-	-	(1,003,850)	-	(1,003,850)
Rajesh Pachisia	-	-	3,528,450	-	3,528,450
	-	-	(1,176,150)	-	(1,176,150)
Manju Pachisia	-	-	-	600,000	600,000
	-	-	-	(200,000)	(200,000)
Vatsala Pachisia	-	-	-	600,000	600,000
	-	-	-	(200,000)	(200,000)
Nikunj Pachisia	-	-	-	152,550	152,550
	-	-	-	(50,850)	(50,850)
Suraj Devi Pachisia	-	-	-	600,000	600,000
	-	-	-	(200,000)	(200,000)
Naresh Pachisia HUF	-	621,900	-	-	621,900
	-	(207,300)	-	-	(207,300)
Rajesh Pachisia HUF	-	257,550	-	-	257,550
	-	(85,850)	-	-	(85,850)
Surendra Kumar Pachisia & Sons (HUF)	-	3,257,100	-	-	3,257,100
	-	(1,085,700)	-	-	(1,085,700)
iv) Balance Outstanding					
Accounts payable	-	-	-	-	-
	-	-	-	-	-

- c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- d) No amount has been written back / written off during the year in respect of due to / from related parties.
- e) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
- f) Figures in brackets pertain to previous year.

8 Disclosure under clause 32 of the Listing Agreement :

There are no transactions with Subsidiary Company which are required to be disclosed under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited.

9. Expenditure in foreign currency

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Subscription	69,435	69,059

10. Earnings in foreign currency

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Advisory Services	107,387	-

11 "The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has Significantly impacted the disclosure and presentation made in the Concolidated Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No 302082E

CA SUNITA KEDIA

Partner

(Membership No. 60162)

Kolkata

Dated : May 25, 2012

For and on behalf of Board of Directors

Naresh Pachisia Rajesh Pachisia
Managing Directors

Sarita Agarwal
Company Secretary

Statement pursuant to Section 212 of the Companies act,1956, relating to subsidiary company

1 Name of the Subsidiary Company	SKP Commodities Limited
2 The Financial Year of the subsidiary company ends on	31st March 2012
3 Date from which it became subsidiary	21st Sept 2009
4 Holding Company's interest	10,00,000 Equity Shares of ₹ 10/- each fully paid up.
5 Extent of Holding	100%
6 The aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members's of the Holding Company	
a) Not dealt with in the Holding Company's accounts	
i) For the Financial Year ended 31st March 2012	₹ 31,14,679/-
ii) For the previous Financial year of the subsidiary Company since it became of the subsidiary the Holding Company	Nil
b) Dealt with in the Holding Company's accounts	
i) For the Financial Year ended 31st March 2012	Nil
ii) For the previous Financial year of the subsidiary Company since it became the Holding Company	Nil

For and on behalf of Board of Directors

Naresh Pachisia Rajesh Pachisia
Managing Directors

Sarita Agarwal
Company Secretary

Notes



SKP Securities Ltd

Registered Office : Chatterjee International Centre
Level 21, 33A, Jawahar Lal Nehru Road, Kolkata - 700 071

ADMISSION SLIP

To be handed over at the entrance of the Meeting Hall

Members Folio Number/ DP ID & Client ID	Name of the attending Member (IN BLOCK LETTERS)	No. of Shares held

Name of the Proxy* :.....
(IN BLOCK LETTERS)

(*To be filled if the Proxy attends instead of the member)

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the members of SKP Securities Limited at MCC Chamber of Commerce & Industry, 15B Hemant Basu Sarani, Kolkata 700 001 on Saturday, 28th July, 2012 at 10.30 am.

.....
Member's / Proxy's signature

(To be signed at the time of handing over this slip)

Note : Please carry the copy of this Annual Report for 2011 – 12 at the Meeting Hall.

SKP Securities Ltd

Registered Office : Chatterjee International Centre
Level 21, 33A, Jawahar Lal Nehru Road, Kolkata - 700 071

PROXY FORM

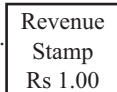
I / We
Of
being a member / members of the above named Company, hereby appoint Mr/Mrs/Miss.....
of.....or failing him appoint Mr/Mrs/Missof
as my/our proxy to attend and vote for me / us on my / our behalf at the 22nd ANNUAL GENERAL MEETING of the Company to be held at MCC Chamber of Commerce & Industry, 15B Hemant Basu Sarani, Kolkata 700 001 on Saturday, 28th July, 2012 at 10.30 am and / or at any adjournment thereof.

No. of Shares

Member's Folio Number / DP ID & Client ID

As witness my / our hand (s) this Day of2012

Signature.....



Note : Proxy must reach the Company's Registered Office not less than 48 hours before the meeting

