



Our Corporate Personality

The moneynwise 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 moneynwise, creating a sense of prosperity in them, bringing happiness to their lives.

Our Vision

Creating Prosperity, bringing happiness.

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	
Directors' Report	3
Corporate Governance Report	7
Auditor's Report	19
Balance Sheet	22
Profit & Loss Account	23
Schedules	24
Cash Flow Statement	32
Statement pursuant to Section 212 of the Companies Act. 1956	33
Subsidiaries	
SKP Commodities Ltd.	35
Consolidated Financial Statement	49

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
Naresh Pachisia	- Managing Director
Rajesh Pachisia	- Managing Director

Auditors

U.S. Agarwal & Associates
42/1, B.B. Ganguly Street
Kolkata 700 012

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 700071, India
Phone (033) 40077000
Fax (033) 40077007
E-Mail - cs@skpmoneywise.com

Mumbai Office

73C, Mittal Court (C-wing)
Nariman Point
Mumbai 400 021 India
Phone (022) 2281 9012
Fax (022) 22830932
E-mail – mumbai@skpmoneywise.com

Registrar & Share Transfer Agent

Maheshwari Datamatics (P) Ltd.
6 Mangore Lane (2nd Floor)
Kolkata –700 001
Phone: (033) 2243 5809

Company Secretary

Shilpi Sureka

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.*
MCX Stock Exchange Ltd.

DEPOSITORY PARTICIPANT

National Securities Depositories 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

Brokerage

Equities & Derivatives
Commodities Futures*
Currency Futures
Depository Services
Net Trading

Distribution

Mutual Funds
Insurance*
Initial Public Offers
Bonds & Fixed Deposits

Wealth Advisory

Mutual Fund
Private Equity
Debt PMS
Gold
Real Estate

Financial Planning & Prosperity Management

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Twentieth Annual Report and Audited Accounts of SKP Securities Ltd. (SKP) for the year ended March 31, 2010.

Financial Highlights

Particulars	Financial Year (in Rs Lacs)	
	2009-2010	2008-2009
Total Income	1478.88	978.04
Total Expenditure	1114.64	919.78
Operational Profit	364.24	58.26
Depreciation	63.91	53.49
Profit Before Tax	300.33	4.77
Provision for Tax (including Deferred Tax Liability)	102.02	(3.97)
Profit After Tax	198.31	8.74
Appropriations		
Proposed Dividend	56.15	0.00
Dividend Distribution Tax	9.54	0.00
Transferred to General Reserve	40.00	0.00
Earning Per Share (Rs.)	3.53	0.16
Net Worth	1583.72	1450.70

Dividend

Your Directors take pleasure in recommending payment of a dividend of 10 % (Re. 1 per share) for the year 2009-10, subject to the approval of shareholders.

Business Performance

From the confidence shaking sharp fall and lows of previous year, Indian Capital Markets made a handsome recovery during the year, catching almost everyone off guard. Memories of painful losses in the recent past were fresh, making investors and traders generally remain cautious during the year, resulting in low volumes, quite uncharacteristic of booming markets. Structural changes made in the mutual funds industry during the year were game changers for the mutual funds advisory and distribution business, necessitating a difficult to implement new business model.

In this backdrop, after a nightmarish previous year (2008-2009), SKP has done reasonably well during 2009-2010. The reverse gear of downsizing of operations applied in the previous year, were changed to neutral in July 2009, with cost rationalisation efforts continuing. By January 2010, forward gear was applied to resume SKP's growth initiatives, keeping an eye on profitability for shareholders interest.

Income and profitability across almost all verticals recovered. Size of broking business, encompassing equities, derivatives, currency futures and commodities futures (through subsidiary company viz. SKP Commodities Ltd), improved to about 19000 clients and over 13000 demat account holders being served from over 300 business outlets. Our equity research prowess and IT systems were enhanced to serve the clients better. Assets Under Management in mutual funds continues to be around

Rs.1000 Crores, enlarging our investor base to almost 200000 investor accounts. We were also engaged in the distribution of private equity funds, bonds, fixed deposits, etc.

Future Outlook

A rising Indian economy, leaving higher investible surplus in the hands of individuals and low penetration of service providers, will continue to create good business opportunities for companies like SKP and we are gearing well to avail such opportunities, inspite of severe competition. SKP is back in growth mode albeit cautiously across products, value addition to clients, and geographies with suitable changes being made in product delivery and business models. Required investments will continue to be made in human resources, information technology and systems for more efficient business processes and superior client servicing. Special efforts will be made for brand development, marketing and communications to support all our business verticals, although this could have a negative impact on profitability in the short run. We are fully geared up for availing all growth opportunities – organic or inorganic.

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. U.S. Agarwal & Associates, 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.

Directorate

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the company, Mr. Kishore Bhimani, Director of the company, retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Listings

The equity shares of the company are listed on The Bombay Stock Exchange Ltd. The company's pending request for voluntary de-listing at Calcutta Stock Exchange (CSE) has finally been approved by CSE and the company's shares are no longer listed on CSE.

Auditors

The Auditors, M/s U S Agarwal & Associates, Chartered Accountants, retire

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 (Rs.)	Previous Employment
Naresh Pachisia	Managing Director	B Com CFP	47	Since Incorporation	28	1,950,000	-
Rajesh Pachisia	Managing Director	B Com CFP	44	Since Incorporation	26	1,950,000	-

and being eligible, offer themselves for re-appointment as the statutory auditors of the Company pursuant to Section 224 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.

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 Rs.63431.00

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, 2010 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, Level 21
33A, Jawahar Lal Nehru Road
Kolkata 700071, India

Dated: April 23, 2010

For and on behalf of the Board

Naresh Pachisia
Managing Director

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 31.03.2010, 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 as on 31.03.2010

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 31.03.2010 and also the number of other Board of Directors of which they are a member are as under:

Name of Director	Category	No. of other Directorship
Shri Naresh Pachisia Managing Director	Promoter, Executive	6
Shri Rajesh Pachisia Managing Director	Promoter, Executive	1
Shri G.L. Sultania	Independent, Non-Executive	13
Shri Kishore Bhimani	Independent, Non-Executive	1
Shri Sanjay Chamria	Independent, Non-Executive	3
Shri Subrata Kumar Mitra	Independent, Non-Executive	5

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 2009, four Board Meetings were held on 8th May, 2009, 25th July 2009, 24th October 2009, and 30th January 2010. 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 Meetings attended	Attendance at last AGM held on 25/07/2009
Shri Naresh Pachisia	4	Present
Shri Rajesh Pachisia	4	Present
Shri G.L. Sultania	4	Present
Shri Kishore Bhimani	4	Present
Shri Sanjay Chamria	3	Leave of Absence
Shri Subrata Kumar Mitra	4	Present

Non executive Directors compensation and Disclosures

Non Executive Directors were not paid any compensation other than sitting fees.

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. The purpose of this code is to promote conduct of business ethically in an efficient and transparent manner.

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 constitution of the Audit Committee is as follows:

· Shri G.L. Sultania	Chairman	Independent, Non Executive
· Shri Kishore Bhimani	Member	Independent, Non Executive
· Shri Naresh Pachisia	Member	Managing Director

Broad 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:

- 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.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. 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.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- Approval of 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
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings & Attendance

During the financial year ended March 31, 2010 four Audit Committee Meetings were held on 8th May, 2009, 24th July 2009, 24th October 2009, and 30th January 2010. The attendance at the Committee Meetings is as under:

Name of the Director	No. of meetings attended
Shri G. L. Sultania	4
Shri Naresh Pachisia	4
Shri Kishore Bhimani	4

Remuneration Committee

Composition

The Remuneration Committee comprises of two Independent, Non Executive Directors, constituted as follows:

- Shri Kishore Bhimani Chairman Independent, Non Executive
- Shri G.L. Sultania Member Independent, Non Executive

Brief Description of Terms of Reference

- To periodically review the remuneration package of whole-time directors and recommend suitable revision to the Board.
- To grant Stock Options pursuant to the SKP Employees Stock Option Scheme 2010, subject to the post facto approval of the members of the Company

Meetings & Attendance

During the financial year ended March 31, 2010 one Remuneration Committee Meeting was held on 7th May, 2009

Remuneration to Directors

A. Executive Directors

Name	Designation	Sitting Fee paid (Rs.)	Remuneration paid (Rs.)	Total (Rs.)
Shri Naresh Pachisia	Managing Director	Nil	19,50,000	19,50,000
Shri Rajesh Pachisia	Managing Director	Nil	19,50,000	19,50,000

B. Non Executive Directors

Name	Designation	Sitting Fee paid for Board Meetings (Rs.)	Sitting Fee paid for Audit Committee Meetings (Rs.)	Total (Rs.)
Shri G L Sultania	Independent Director	40,000	10,000	50,000
Shri Kishore Bhimani	Independent Director	40,000	10,000	50,000
Shri Subrata Kumar Mitra	Independent Director	40,000	-	40,000
Shri Sanjay Chamria	Independent Director	30,000	-	30,000

Shareholders'/Investor Grievance Committee

Composition

Shareholders Committee comprises of two Non-executive, Independent Directors including the Chairman of the Committee, and one Executive Director, constituted as follows:

- Shri G L Sultania Chairman Independent, Non-Executive
- Shri Kishore Bhimani Member Independent, Non-Executive
- Shri Naresh Pachisia Member Promoter, Executive

Brief Description of Terms of Reference

To approve inter-alia, transfer/transmission of shares, issues of duplicate share certificates and review the status of investors' grievance and redressal mechanism and recommend measures to improve the level of investor services.

Meetings & Attendance

The Shareholders' Committee met 6 (Six) times during the year on 30th June 2009, 17th July 2009, 15th October 2009, 16th November 2009, 30th November 2009 and 15th February 2010. The attendance at the Committee Meetings was as under:

Name of Director	Number of Meetings attended
● Shri G L Sultania	6
● Shri Kishore Bhimani	6
● Shri Naresh Pachisia	6

Details of complaints received and resolved during the year ended on 31.03.2009:

a	Number of complaints pending at the beginning of the year	NIL
b	Number of complaints received from shareholders	NIL
c	Number of complaints redressed	NIL
d	Number of complaints pending share transfers	NIL

Compliance Officer

Ms. Ankita Kandoi, Company Secretary of the Company, served as the Company Secretary & Compliance Officer of the company till 30-01-2010. She resigned with effect from the 30th January, 2010 and Ms. Shilpi Sureka has been appointed as Company Secretary and Compliance Officer in her place with effect from the same date.

CEO/CFO Certification

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director on the financial statements and Internal Controls relating to financial reporting has been obtained.

Details of Annual General Meetings

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

Financial Year	Date	Location of the Meeting	Time
2008-2009	25/07/2009	Merchants Chamber of Commerce at Kolkata	10.30 A.M.
2007-2008	26/07/2008	Merchants Chamber of Commerce at Kolkata	10.30 A.M.
2006-2007	31/07/2007	Merchants Chamber of Commerce at Kolkata	10.00 A.M.

No special resolution was put through postal ballot at any of the AGMs mentioned above. Approval of the Shareholders' is sought by way of special resolution in the matters specified in the Notice of the upcoming AGM.

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.

- 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 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.

Subsidiary Company

SKP Commodities Ltd is now a 100% subsidiary of the company

Means of Communication

The quarterly, half yearly and annual results are normally published in a leading English National Daily, and a Bengali newspaper. The company results are displayed on its website at www.skpmoneywise.com as and when published along with product information, and an official press release is also made occasionally. No presentations have been made to institutional investors or analysts, although it can be done as and when required. Management Discussion and Analysis is a part of the Annual Report.

General Information for Shareholders

Detailed information in this regard provided is provided below:

Annual General Meeting

Day & Date	:	Saturday, July 31, 2010
Time	:	10.30 A.M
Venue	:	Merchants' Chamber of Commerce 15B, Hemanta Basu Sarani, Kolkata-700001

Financial Calendar : 1st April – 31st March

Book Closure Date : 25th July 2010 to 31st July 2010
(Both days inclusive)

Dividend : 10% (2009-2010)

Dividend Payment Date : On or after 1st August, 2010

Previous Dividend

2008-2009	:	Nil
2007-2008	:	12.50%
2006-2007	:	12.50%

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

Note:

1. Company Voluntarily delisted itself from The Calcutta Stock Exchange Ltd w. e. f. 23-02-2010
2. The Company has paid the Listing Fees for the year 2010-2011 to BSE.

Market Price Data : Monthly stock market data of High and Low prices of Equity shares of the Company during Financial year 2009-10 and their performance in comparison with broad based index compared

Market Price Data (Monthly High and Low in 2009-10)

Year	High	Low	Volume
Apr-09	16.27	10.21	4,795
May-09	21.65	15.55	19,759
Jun-09	20.10	17.15	6,932
July-09	18.00	15.50	5,383
Aug-09	25.50	18.00	11,944
Sep-09	26.75	21.90	4,544
Oct-09	30.85	22.70	4,516
Nov-09	30.95	24.10	4,097
Dec-09	31.95	28.50	3,802
Jan-10	30.85	23.30	13,969
Feb-10	32.45	24.60	8,449
Mar-10	29.80	22.95	6,326



Registrar & Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd
6, Mangoe Lane (2nd Floor), Kolkata-700071
Phone: 033-2243 5809,
E-mail : 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 Schedule as on 31.03.2010						
Category of Shareholders			No. of Shareholders	Percentage	No of Shares	Percentage
1	to	500	1,268	86.61	182,707	3.24
501	to	1000	84	5.74	68,610	1.22
1001	to	2000	38	2.60	55,975	1.00
2001	to	3000	20	1.37	50,967	0.91
3001	to	4000	8	0.54	30,153	0.54
4001	to	5000	12	0.82	53,698	0.96
5001	to	10000	13	0.89	92,678	1.65
10001	to	above	21	1.43	5,080,212	90.48
Grand Total:			1,464	100.00	5,615,000	100.00

Shareholding Pattern Category	No. of shares held	Percentage of Shareholding
Indian Promoters	4,209,700	74.97
Foreign Promoters	0	0.00
Banks, FIs, Insurance Companies	0	0.00
FIIIs	0	0.00
Private Corporate Bodies	274,047	4.88
Indian Public	1,122,152	19.99
NRIs / OCBs	9,101	0.16
Total	5,615,000	100.00

Dematerialisation of Shares : 97.40% (as on 31.03.2010)
With NSDL & CDSL (ISIN No. INE709B01016)

Number of Shareholders : 1464

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 31.03.2010)

Promoter Group : 74.97%

Public : 25.03%

Address for Correspondence

: **SKP Securities Ltd.**
Chatterjee International Centre, Level 21
33A, Jawahar Lal Nehru Road
Kolkata 700071, India
Ph No: 033 4007 7000
Fax: 033 40077007
Email: cs@skpmoneywise.com

For and on behalf of the Board

Place : Kolkata
Dated: April 23, 2010

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 huge 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 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 by increasing its reach across geographical areas and client segments, ramping up its infrastructure and technological, financial and human resources.

Opportunities & Threats

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

Business Review

In spite of such competitive pressures, your company has done satisfactorily well to turnaround smartly from the lows of the previous year, due to its focus on

adding value to clients and business partners with diversified activities within the broad core business of the company, with continued thrust on keeping costs in check.

Management of Risks

Your company has strict margin norms and other risk management policies. Pursuant to the steep fall witnessed in the markets in January 2008 and then in October 2008, when all risk management measures failed to some extent, some amounts have become over due from clients as reflected under sundry debtors, which has been reduced significantly as compared to last year. Some amounts have been written off as bad debt during the year, while we are in the recovery mode for the others. 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, 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. A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks being in place, except for unforeseen circumstances and marginal exposure to financial risk in the retail broking business, your company is quite a risk-free business entity.

Internal Control Systems and their adequacy

The scope of work for internal auditors 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. The company's topline and the bottomline have recovered sharply from the lows of last year.

Future Outlook

After a phase of consolidation, the company has resumed its growth journey, albeit cautiously, in spite of the

competitive environment. Substantial investments are continuing to be made in technology for this purpose. Conscious efforts are being made to keep the expenses under check so that resources could be deployed for strategic growth. The future outlook is positive.

Human Resource Management

Employees are vital to SKP. We have created a favorable work environment that encourages innovation and meritocracy. We have also set up a scalable recruitment and human resource management process, which enables us to attract and retain high caliber employees. No material development has taken place on the Human Resources/Industrial Relations front during the year. The company is proposing to introduce ESOPs in the near future to reward its performing employees.

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 1, 2009 and ending on March 31, 2010.

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 and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Kolkata, April 23, 2010

To,

The Members of SKP Securities Ltd.

Compliance with the Code of Conduct under Clause 49 (I) (D) (ii) of the Listing Agreement

This is to confirm that the company has adopted Code of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company in compliance with clause 49 of the Listing Agreement with the Stock Exchanges.

I confirm that the Company has in respect of the financial year ended 31st March, 2010 received from the Members of the Board and Senior Management Personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

Place: Kolkata
Date: April 23, 2010

Naresh Pachisia
Managing Director

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

The Board of Directors

SKP Securities Ltd.

I, Naresh Pachisia, Managing Director and CEO of SKP Securities Ltd. do hereby certify to the Board in terms of the requirement of Clause 49(v) of the Listing Agreement, that I have reviewed the financial statement of the company for the ended 31st March, 2010:

1. To the best of my knowledge I certify that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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.
 - c. there are, to the best of my knowledge & belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the company's code of conduct.
2. For the purpose of this reporting I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls.
3. I do further certify that there has been:
 - a. no significant changes in internal control over financial reporting during the quarter;
 - b. no changes in accounting policies;
 - c. no instances of significant fraud of which I am aware.

Place : Kolkata

Dated : 23rd April, 2010

Naresh Pachisia
Managing Director

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, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - I. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - II. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - III. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For and on behalf of
**U.S. AGARWAL &
ASSOCIATES**
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Kolkata
Dated: 23rd April, 2010

ANNEXURE TO THE AUDITORS' REPORT OF SKP SECURITIES LIMITED
for the year ended 31st March, 2010
(Referred to in paragraph 3 of our report of even date)

- | | |
|--|---|
| <p>i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>b) As explained to us, the fixed assets have been physically verified by the management, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.</p> <p>c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year.</p> | <p>of goods and services. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in internal control system.</p> |
| <p>ii) a) The inventories have been physically verified by the management during the year at reasonable intervals and in our opinion, the frequency of such verification is reasonable.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.</p> <p>c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.</p> | <p>v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.</p> <p>b) In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and services made in pursuance of contracts or arrangements entered in the register maintained u/s 301 and exceeding the value of Rs. Five Lacs in respect of any party during the year are reasonable having regard to the prevailing market prices at the relevant time.</p> <p>vi) The Company has not accepted any deposits from the public under the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.</p> <p>vii) The Company has an adequate internal audit system, which in our opinion, is commensurate with the size of the company and the nature of its business.</p> <p>viii) Provisions of this clause regarding maintenance of cost records are not applicable to the Company.</p> |
| <p>iii) In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</p> | <p>ix) a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, which have remained outstanding as at 31st March, 2010 for a period of more than six months from the date on which they became payable.</p> |
| <p>iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale</p> | |

- b) In our opinion and according to the information and explanations given to us, there are no dues of sales tax, income tax, wealth tax, excise duty, custom duty, service tax and cess which have not been deposited on account of any dispute as at 31st March, 2010.
- x) The Company has no accumulated losses as at 31st March, 2010, and has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or 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 Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv) The Company has maintained proper records of transactions in respect of trading in shares, debentures and other investments and timely entries have been made therein. The investments are held by the Company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, term Loans obtained by the Company during the year have been applied for the purposes for which they 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 investments by the company.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies/firms covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any Debentures during the year. As such, the provisions of clause 4(xix) of the order are not applicable to the Company.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) According to the information and explanations given to us and on our examination of books and records, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially mistated.

For and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Kolkata
Dated: 23rd April, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	SCHEDULES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	56,150,000	56,150,000
b) Reserve & Surplus	2	102,222,119	88,960,374
2. Loan Funds			
Secured Loans	3	26,178,633	6,855,864
3. Deferred Tax Liability			
		3,101,792	1,199,714
		187,652,544	153,165,952
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	4	43,480,025	39,776,594
Less : Depreciation		15,034,475	9,364,192
Net Block		28,445,550	30,412,402
2. Investments			
	5	10,000,000	7,400,000
3. Current Assets, Loans & Advances			
a) Current Assets	6	138,359,094	114,621,261
b) Loans & Advances	7	73,959,234	77,173,250
		212,318,328	191,794,511
c) Less : Current Liabilities & Provisions	8	63,111,334	76,480,961
Net Current Assets		149,206,994	115,313,550
4. Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Preliminary Expenses		-	40,000
		187,652,544	153,165,952

Significant Accounting Policies

& Notes on Accounts

12

Schedules 1 to 8 and 12 referred to above form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of Board of Directors
For U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E
CA U.S. AGARWAL

Partner

(Membership No. 051895)

Naresh Pachisia Rajesh Pachisia

Managing Directors

Shilpi Sureka

Company Secretary

Kolkata

Dated: 23rd April, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

SCHEDULES	2009-2010	2008-2009
	Rs.	Rs.
INCOME		
Income from Operations 9	142,114,575	94,899,492
Interest (Gross) (TDS Rs 498,433 /-, P.Y. Rs. 643,773/-)	5,773,547	2,904,654
	<u>147,888,122</u>	<u>97,804,146</u>
EXPENDITURE		
Operative Expenses 10	53,461,901	31,258,632
Administrative & Other Expenses 11	53,094,481	59,597,171
Interest	2,175,091	989,494
Loss on Fixed Assets sold/discarded	1,517,428	71,759
Depreciation	6,390,683	5,349,230
Bad Debts written off	1,175,446	21,204
Preliminary Expenses written off	40,000	40,000
	<u>117,855,030</u>	<u>97,327,490</u>
Profit Before Tax	30,033,092	476,656
Provision for Tax	8,300,000	21,169
Less/(Add): Deferred Tax Liability	1,902,078	759,575
Less : Provision for FBT	-	341,000
Profit After Tax	19,831,014	874,062
Add : Balance Brought Forward	55,419,374	54,545,312
AMOUNT AVAILABLE FOR APPROPRIATION	<u>75,250,388</u>	<u>55,419,374</u>
APPROPRIATIONS		
Amount transferred to General Reserve	4,000,000	-
Proposed Dividend	5,615,000	-
Dividend Distribution Tax	954,269	-
Balance Carried to Balance Sheet	64,681,119	55,419,374
	<u>75,250,388</u>	<u>55,419,374</u>

Basic & Diluted Earnings
per Share of Rs. 10/- each

3.53

0.16

Significant Accounting Policies &
Notes on Accounts

12

Schedules 9 to 12 referred to above form an integral part of the Profit & Loss Account

As per our report of even date
For **U.S. AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 314213E

For and on behalf of Board of Directors

Naresh Pachisia Rajesh Pachisia
Managing Directors

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Shilpi Sureka
Company Secretary

Kolkata
Dated: 23rd April, 2010

SCHEDULES TO THE ACCOUNTS

SHARE CAPITAL	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 1		
Authorised :		
100,00,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-up :		
5615000 Equity Shares of Rs.10/- each fully paid up (Out of which 27,50,000 Equity Shares of Rs. 10/- each allotted as fully paid up pursuant to the scheme of amalgamation of SKP Brokerage Ltd with the Company)	56,150,000	56,150,000
	<u>56,150,000</u>	<u>56,150,000</u>

RESERVES & SURPLUS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 2		
General Reserve (As per Last Balance Sheet)	10,376,000	10,376,000
Add : Transfer from Profit & Loss Account	4,000,000	-
	<u>14,376,000</u>	<u>10,376,000</u>
Share Premium Account	23,165,000	23,165,000
Profit & Loss Account Balance	64,681,119	55,419,374
	<u>102,222,119</u>	<u>88,960,374</u>

SECURED LOANS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 3		
Equipment Finance	1,675,953	4,291,075
Short Term Working Capital	20,000,000	-
Bank Overdraft	3,366,422	2,412,498
Auto Loans	1,136,258	152,291
	<u>26,178,633</u>	<u>6,855,864</u>

SCHEDULES TO THE ACCOUNTS

SCHEDULE - 4

FIXED ASSETS

(all figures in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	Cost as at 01.04.09	Additions	Deletion/ Discard	Total as at 31.03.10	Upto 01.04.09	For the year	Deletion/ Discard	Total as at 31.03.10	As at 31.03.10	As at 31.03.09
Tangible Assets:										
Plant	69,874	-	69,874	-	48,002	3,319	51,321	-	-	21,872
Computer	10,531,528	876,539	-	11,408,067	3,973,404	1,771,660	-	5,745,064	5,663,003	6,558,124
Office Equipments	4,268,584	13,500	40,025	4,242,059	677,627	217,266	3,651	891,242	3,350,817	3,590,957
Furniture & Fixtures	11,235,262	13,500	1,451,523	9,797,240	967,599	688,850	169,391	1,487,058	8,310,182	10,267,663
Vehicles	3,689,957	1,605,585	891,405	4,404,137	1,252,213	352,458	496,036	1,108,634	3,295,503	2,437,744
Intangible Assets:										
Computer Softwares	9,781,389	3,647,133	-	13,428,522	2,445,347	3,357,130	-	5,802,477	7,626,045	7,336,042
Stock Exchange										
Membership Shares	200,000	-	-	200,000	-	-	-	-	200,000	200,000
TOTAL	39,776,594	6,156,257	2,452,827	43,480,025	9,364,192	6,390,683	720,400	15,034,475	28,445,550	30,412,402
Previous Year	28,349,082	12,261,690	834,178	39,776,594	4,657,381	5,349,230	642,419	9,364,192	30,412,402	

Note :Cost of Stock Exchange Shares represents face Value of one Equity Share of Rs.1/- of The Calcutta Stock Exchange Association Limited.

SCHEDULES TO THE ACCOUNTS

INVESTMENTS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 5		
Long Term, other than Trade Unquoted SKP Commodities Ltd	-	4,900,000
Current Year Nil (P.Y.4,900,000) equity shares of Rs.10/- each fully paid up. Investment in a Subsidiary Company SKP Commodities Ltd	10,000,000	-
In 1,000,000 (P.Y Nil) Equity Shares of Rs. 10/- each Fully Paid up In Mutual Funds	-	2,500,000
Birla Sun Life Income Plus-Growth (Current Value Rs. Nil P.Y. Rs.2,486,965/-)	-	2,500,000
	<u>10,000,000</u>	<u>7,400,000</u>

CURRENT ASSETS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 6		
Sundry Debtors (Unsecured, considered good)		
Outstanding Over Six Months	1,964,149	5,831,397
Other Debts	4,034,441	14,584,840
Cash-in-hand (Including stamps of Rs.89,885/- Previous year- Rs.86,112/-)	678,883	862,021
Balances with Scheduled Banks in Current Accounts	65,494,178	56,053,650
Fixed Deposits	64,192,713	35,866,884
Accrued Interest	1,994,730	1,422,469
	<u>138,359,094</u>	<u>114,621,261</u>

LOANS & ADVANCES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 7		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	5,056,032	7,646,207
Deposits with Stock Exchanges & Clearing Agent 44,535,000	49,710,485	
Deposits with Depositories	1,250,000	1,250,000
Security Deposit for Office Premises	3,389,802	4,645,306
Other Security Deposits	10,000	324,351
Prepaid Expenses	740,137	504,524
Advance Income Tax & FBT	18,978,263	13,092,377
	<u>73,959,234</u>	<u>77,173,250</u>

CURRENT LIABILITIES & PROVISIONS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 8		
Sundry Creditors	1,616,296	262,979
Liabilities for Expenses	3,433,104	2,051,266
Advances from Clients	30,298,049	62,209,895
Other Liabilities	996,446	58,651
	<u>36,343,895</u>	<u>64,582,791</u>
Provisions :		
Provision for Tax	19,421,170	11,121,170
Provision for Fringe Benefit Tax	777,000	777,000
Proposed Dividend	5,615,000	-
Dividend Distribution Tax	954,269	-
	<u>26,767,439</u>	<u>11,898,170</u>
	<u>63,111,334</u>	<u>76,480,961</u>

SCHEDULES TO THE ACCOUNTS

INCOME FROM OPERATIONS	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 9		
Income from Operations	141,799,582	93,690,312
Profit on Proprietary Investments	-	8,656
Dividend	63,285	271,136
Bad Debts written back	-	47,694
Miscellaneous Receipts	251,708	881,694
	<u>142,114,575</u>	<u>94,899,492</u>
OPETATIVE EXPENSES		
	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 10		
Connectivity Charges	2,403,433	2,700,136
Bank Charges	764,375	606,612
Commission on Brokerage	41,248,003	19,287,828
Stamp Duty	2,774,829	3,229,233
Transaction Charges	3,177,663	2,533,737
Security Transaction Tax	124,944	72,912
Depository Charges	1,878,253	1,269,736
Database Expenses	1,090,401	1,558,438
	<u>53,461,901</u>	<u>31,258,632</u>
ADMINISTRATIVE & OTHER EXPENSES		
	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 11		
Employees Remuneration & Benefits	27,820,643	32,140,054
Contribution to Provident & Other Funds	114,204	143,998
Staff Welfare	527,068	1,337,908
Service Charges	1,726,993	2,655,868
Rent	6,643,264	7,559,203
Rates & Taxes	3,26,531	166,106
Electricity	1,582,486	1,705,999
Insurance	108,576	152,085
Printing & Stationary	1,249,474	1,661,763
Professional Fees	501,087	1,336,916
Directors' Fees	140,000	130,000
Travelling Expenses	1,488,770	1,442,159
Conveyance Expenses	381,116	753,671
Computer Expenses	2,506,263	701,411
Vehicle Expenses	639,694	495,731
Communication Expenses	1,073,794	1,709,707
Postage	962,883	949,855
Repairs to : Building	1,059,725	1,482,072
: Machinery	624,599	1,018,212
Advertisement	294,924	615,752
Auditors' Remuneration :		
Audit Fees	75,000	75,000
Tax Audit Fees	25,000	25,000
For Certification	20,000	20,000
Subscriptions & Registration Fee	480,595	354,853
Miscellaneous Expenses	2,721,792	963,848
	<u>53,094,481</u>	<u>59,597,171</u>

SCHEDULES TO THE ACCOUNTS
SCHEDULE -- 12 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES
1. SIGNIFICANT ACCOUNTING POLICIES

 i) Basis of Accounting:

- a. The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and adopted consistently by the Company.
- b. The Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis.

 ii) Fixed Assets & Depreciation/Amortisation:

- a. Fixed Assets are stated at their original cost of acquisition including all the related expenses for installations.
- b. Depreciation on Fixed Assets (Other than Stock Exchange Membership Card) for the year has been provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
- c. In view of long term use of Computer Software, the same are being amortized over a period of four years.

 iii) Investments:

Long-term investments are valued at cost.

- iv) Gratuity liability has been provided as per Actuarial Valuation as per revised Accounting Standard 15 and has been paid to an approved Gratuity Fund.

2. Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956.

Traded Items	2009-2010		2008-2009	
	Quantity In Nos.	Amount Rs.	Quantity In Nos.	Amount Rs.
Opening Stock of Mutual Fund Units	62,787	2,500,000	-	-
Purchases of Mutual Fund Units	8,108,826	85,030,294	2,512,437	80,000,000
Switched/Redeemed of Mutual Fund Units	8,171,613	87,559,453	2,449,650	77,779,791
Closing Stock of Mutual Fund Units	-	-	62,787	2,500,000

3. a) Equipment Finance from HDFC Bank is secured by Fixed Assets of the company financed by them and against Fixed Deposits.
- b) Short Term Working Capital & Bank Overdraft are secured against fixed deposits.
- c) Auto Loans are secured against vehicle financed by the respective financier.
4. Contingent liability not provided in respect of Bank Guarantees of Rs.335.00 Lacs (Previous Year Rs.260.00 Lacs) obtained from Banks to be utilized as and when required.
5. a) Fixed Deposits of Rs. 21,952,107/- (Previous Year Rs. 19,850,943/-) with Banks are under lien against Bank Guarantees.

- b) Deposit of Rs.9,84,365/- (Previous Year.Rs.9,84,365/-) and Fixed Deposit of Rs.50,00,000/- (Previous Year.Rs.50,00,000/-) are deposited with The Calcutta Stock Exchange Association Ltd. and National Security Clearing Corporation Ltd. respectively towards margin to be utilised as and when required.
- c) Fixed Deposits of Rs.300 Lacs (previous Year Rs.100 Lacs) is under lien with bank for Short Term Loan, Overdraft & Equipment Finance facility enjoyed by the Company.
6. Total Interest amount of Rs.21,75,091/- Includes interest on Equipment Finance taken by the company amounting to Rs. 12,58,197/- (Previous Year- Rs. 673112/-)
7. Earnings Per Share:

	<u>2009-10</u>	<u>2008-09</u>
	Rs.	Rs.
Net profit for the year attributable to Equity Shareholders (Rs.)	19,831,014	874,061
Weighted Average Number of Equity Shares	5,615,000	5,615,000
Basic & Diluted earnings per share of Rs.10 each	Rs.3.53	Rs.0.16
8. Deferred tax Liability:		
Depreciation difference	3,101,792	1,199,714
NET DEFERRED TAX LIABILITY	<u>3,101,792</u>	<u>1,199,714</u>

9. Funded Post Retirement Plan for Gratuity:

	Rs.	Rs.
Liability to be recognized in Balance Sheet as on 31.03.10		
Present value of Obligations	1,154,000	978,667
Fair Value of Plan Assets	1,506,938	1,059,531
Net Asset	352,938	80,864
Change in Plan Assets (Reconciliation of Opening & Closing Balances)		
Fair Value of Plan Assets as on 01.04.09	1,059,531	697,000
Expected Return on plan Assets	84,762	-
Actuarial Gain/(Losses)	398,703	-47,174
Contributions	-	447,407
Benefits Paid	-	93,462
Fair Value of Plan Assets as at 31.03.10	1,506,938	1,059,531

Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at 01.04.09	978,667	1,076,521
Current Service Cost	436,518	272,104
Interest cost	76,851	77,234
Actuarial Losses/(Gain)	-301,977	-353,730
Benefits Paid	36,059	93,462
Obligation as on 31.03.10	1,154,000	978,667
Expenditure to be recognized during the year		
Current Service Cost	436,518	272,104
Interest Cost	76,851	77,234
Expected Return on Plan Assets	84,762	55,760
Net Actuarial Losses/(Gain) Recognized during the year	-700,680	-306,556
Total Expenditure included in Employees Emoluments	-272,074	-12,978
Assumptions		
Discount Rate (Per Annum)	8.00%	7.50%
Expected Rate of Return on Assets (Per Annum)	8.00%	8.00%
Salary Escalation Rate	5.00%	-

10. Managerial Remuneration

	2009-10	2009-09
	<u>Rs.</u>	<u>Rs.</u>
Salary to Managing Directors	3,900,000	2,121,900

11. Related Party Transactions:

- a. Parties where control exists –
 Shri Naresh Pachisia, Managing Director (Brother of Shri Rajesh Pachisia)
 Shri Rajesh Pachisia, Managing Director (Brother of Shri Naresh Pachisia)
- b. Key Management Personnel & Relatives:
 M/s Surrender Kumar Pachisia & Sons (HUF)
 Shri Giridhari Lal Sultania
 Shri Kishore Bhimani
 Smt Rita Bhimani
 Smy. Manju Pachisia
 Smt. Vatsala Pachisia
 M/s. Naresh Pachisia & Sons
 M/s. Rajesh Pachisia & Sons
 Shri Nikunj Pachisia
- c. Enterprises over which significant influence exercised by
- i. Director
 Magma Shrachi Finance Ltd.
- ii. Major Shareholders/Directors
 SKP Commodities Ltd

(All figures in Rs.)

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Significant influence exercised by Directors & Major Shareholders	Total	
				2009-10	2008-09
Purchase of Securities	3,179,868	5,141,924	- Nil -	8,321,792	1,059,231
Sale of Securities	38,137	4,668,495	- Nil -	4,706,632	797,437
Remuneration	3,900,000	76,000	- Nil -	3,986,000	2,251,900
Rent Received	- Nil -	- Nil -	- Nil -		114,000
Directors Sitting Fees	140,000			140,000	130,000
Hire Installments Paid	- Nil -	- Nil -	- Nil -	- Nil -	60,713
Outstanding Balances as at 31st March, 2010	- Nil -	- Nil -	- Nil -		

12. The Company has not received any information from any of the suppliers as defined under the "Micro, Small and Medium Enterprises Act, 2006". Hence, the amount outstanding to these units as on 31st March 2010 is not ascertainable.
13. The Equity Shares of the Company is listed at BSE Ltd. and the annual listing fees have been paid for the year. The Company has voluntarily de-listed itself from The Calcutta Stock Exchange Association Limited
14. In the opinion of the Board, Current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these are stated.
15. Expenditure in Foreign Currency:

	2009-10	2008-09
	<u>Rs.</u>	<u>Rs.</u>
Subscription	53,197	43,334
Travelling	10,234	NIL

16. Segment Reporting: The Company has only one segment; hence, segment reporting is not applicable.
17. Miscellaneous Expenses for the year includes Rs. 4.96 Lacs being loss on account of forgery/fraud for which FIR has been lodged and reasonable action is being taken by the Company for recovery of the said amount.
18. Figures for the Previous Year have been regrouped / rearranged wherever necessary.

19. Additional Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

a. Registration Details

Registration No.	L74140WB1190PLC049032	State Code No.	21
Balance Sheet Date	31.03.2010		

b. Capital Raised during the Year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

c. Position of Mobilisation and Deployment of Funds (Rs in thousands)

Total Liabilities	187,653	Total Assets	187,653
-------------------	---------	--------------	---------

Sources of Funds

Share Capital	56,150	Reserves & Surplus	102,222
Secured Loans	26179	Unsecured Loans	NIL
		Deferred Tax Liability	3102

Application of Funds

Net Fixed Assets	28,446	Investments	10,000
Net Current Assets	149,207	Misc. Expenditure	NIL
Accumulated Losses	NIL		

d. Performance of the Company

Turnover	147,888	Total Expenditure	117,855
Profit Before Tax	30,033	Profit After Tax	19,831
Earning Per Share (in Rs.)	3.53	Dividend Rate	10%

e. Generic Names of Three Principal Products/Services of the Company

(as per monetary terms)			
ITC CODE No.	(Not Classified)	Products Description	(Not Classified)

Signature to Schedules 1 to 12

For and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

For and on behalf of Board of Directors
Naresh Pachisia Rajesh Pachisia
Managing Directors

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Kolkata
Dated: 23rd April, 2010

Shilpi Sureka
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2010

	Year Ended 31.03.2010	Year Ended 31.03.2009
	Rs.	Rs.
A. Cash flow from operating activities :		
Net profit before tax and extra-ordinary items	30,033,092	476,656
Adjustments for :		
Depreciation	6,390,683	5,349,230
Bad Debt	1,175,446	21,204
Issue/Preliminary Expenses written off	40,000	40,000
Interest/Dividend	(5,836,832)	(3,175,790)
Liabilities Written Back	-	-
Loss on Asset Discarded	1,517,428	71,759
Operating profit before working Capital changes	33,319,817	2,783,059
Adjustments for :		
Trade & Other Receivables	13,242,201	(3,400,462)
Other Current Assets	8,527,639	24,341,965
Misc. Expenses	-	-
Trade Payables	(28,238,896)	(4,172,763)
Cash generated from operation	26,850,761	19,551,799
Direct taxes paid	5,885,886	2,540,215
Cash flow before extraordinary items	20,964,875	17,011,584
Net cash from operating activities	20,964,875	17,011,584
B. Cash flow from investing activities :		
Purchase of Fixed assets	(6,156,257)	(12,261,690)
Sale/Discard of Fixed Assets	215,000	120,000
Purchase/Sale of Investments	(2,600,000)	(2,500,000)
Interest Received	5,773,547	2,904,654
Dividend Received	63,285	271,136
Net cash used in investing activities	(2,704,425)	(11,465,900)
C. Cash flow from financial activities :		
Proceeds from Issuance of Equity Share Capital	-	-
Secured Loan	19,322,769	(4,647,451)
Dividends Paid including Tax on Dividend	-	(8,211,586)
Net cash used in financing activities	19,322,769	(12,859,037)
Net increase in cash and cash equivalents	37,583,219	(7,313,353)
Cash and cash equivalents as at 01.04.2009	92,782,555	100,095,908
Cash and cash equivalents as at 31.03.2010	130,365,774	92,782,555

C E R T I F I C A T E

We have verified the annexed Cash Flow Statement of SKP Securities Ltd. derived from the financial statements for the year ended March 31, 2010 and found the same to be in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement the Stock Exchange.

For and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)
42/1, B.B. Ganguly Street, Kolkata - 700 012.

Kolkata
Dated: 23rd April, 2010

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 2010
3 Date from which it became subsidiary	21st Sept 2009
4 Holding Company's interest	1,000,000 Equity Shares of Rs 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 2010	Rs.248,471/=
ii) For the previous Financial year of the subsidiary Company since it became the Holding Company	Not Applicable
b) Dealt with in the Holding Company's accounts	
i) For the Financial Year ended 31st March 2010	Nil
ii) For the previous Financial year of the subsidiary Company since it became the Holding Company	Not Applicable

For and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

For and on behalf of Board of Directors

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Naresh Pachisia Rajesh Pachisia
Managing Directors

Kolkata
Dated: 23rd April, 2010

Our Branch Network

Kolkata (Head Office)	Bangalore	Raipur
Howrah	Chennai	Jamshedpur
New Alipore	Hyderabad	Siliguri
Salt Lake	Jaipur	Durgapur
Mumbai	Bhubaneswar	Dhanbad
Delhi	Guwahati	
	Patna	

Our Mutual Funds Distribution Network

Assam	Bihar	Chhatisgarh	Jharkhand	Manipur	Mizoram	Madhya Pradesh (E)	Nagaland	Sikkim	Tripura	Uttar Pradesh (E)	West Bengal	Orissa
Guwahati	Patna	Raipur	Jamshedpur	Imphal	Aizawl	Jabalpur	Dimapur	Gangtok	Agartala	Varanasi	Kolkata	Bhubaneswar
Digboi	Bhagalpur	Durg	Ranchi			Katni				Sonebhadra	Howrah	Cuttack
Jorhat	Biharsharif	Rajnandgaon	Bokaro							Saharanpur	24 Prgs (N)	Angul
Silchar	Darbhanga	Dhantari	Dhanbad							Mirzapur	24 Prgs (S)	Talcher
Shillong	Katihar	Dantawara	Singbhum (W)								Hongly	Rourkela
Tinsukhia	Munger	Jagdal	Singbhum(E)								Jalpaiguri	Sambalpur
	Rohtas	Pir	Giridih								Darjeeling	Balangir
	Aurangabad	Bacheli	Dumka								Coacbehar	Balasore
	Sitamarhi	Bilaspur	Ghatsila								Malda	Baripada
	Khagaria		Jaduguda								Murshidabad	Baudh
			Rakha Mines								Birahum	Bardhaman
			Chakradharpur								Nadia	Nadia
			Hazeribag								Bankura	Medinipur (W)
											Medinipur (E)	Medinipur (E)
											Dinajpur (N)	Dinajpur (N)
											Dinajpur (S)	Dinajpur (S)
											Asansol	Asansol

Our Retail Broking Outlets
For Kolkata Outlets see the chart below

West Bengal	Assam	Bihar	Chhattisgarh	Jharkhand	Maharashtra	Manipur	Madhya Pradesh	Orissa	Tripura	Uttar Pradesh	Meghalaya	Tamil Nadu	Rajasthan	Delhi
Asansol	Guwahati (3)	Arrah	Bilhal (3)	Agico Jmshedpur	Jalgaon	Imphal	Jabalpur	Bhubaneswar	Agartala	Gopiganj	Shillong	Coimbatore	Udaipur	New Delhi
Barakar	Naugaon	Buxar	Bilaspur	Bokaro	Mumbai		Bhopal	Balasure (3)		Ordely Bazar		Chennai (2)	Jaipur (3)	
Bagnan	Kamrup	Chhapra	Korba	Dhanbad (2)	Nagpur			Cuttack		Taktakpur				
Bangaon	Derjaon	Darbhanga	Nagpur	Jamshedpur				Kendrapara		Varanasi				
Chandrakona	Golagath	Hajipur	Raipur (2)	Ranchi				Bouth		Saharanpur				
Coochbihar	Nalbari	Nalanda	Raigarh					Jajpur						
Darjeeling	Jorhat	Patna						Khords						
Dalkhola	Chairati	Ramnagari												
Durgapur	Duliyan	Sasaram (2)												
Egra	Bongaigaon	Gupalganj												
Garhbeta	Naugaon	Begusari												
Goeltor		Siwan												
Habra		Jagvi												
Haldia														
Haringhata														
Halencha														
Hoomgarh														
Jagulia												Gujrat	Karnataka	Mizoram
Katwa												Bhavnagar	Bangalore	Aizwal
Khirpai												Husur		
Lankuthi														
Madhyagram														
Majia-MTPS														
Malda														
Memari														
Midnapore														
Nabadwip														
Parulia														
Radhanagar														
Sainthiya														
Satgachhia														
Shantipur														
Siiguri														
Sonamukhi														
Simlapan														
Toofangenj														

Kolkata	Barabazar	Dalhousie	Jinjirabazar	Netaji Nagar
Barasat	Barabourne Road	Danlop	Jorabagan	New Alipore
B B D Bagh	Barat	Dumdum Park	Jorasanko	Posta
Bag Bazar	Bottala	Gariahat	Kankinara	Rammandir
Bagree Market	Bulbulitala	Ganguly Bagan	Lake Town	Salt Lake
Baguihati	Chowringhee Road	Hatibagan	Madan Street	Selimpur
Bansdroni	Chitpur	Jadubabur Bazar	Mudiali	Vivekananda Road

Greater Kolkata	Howrah
Kadamtalla	Salim
Liluah	
Serampore	
Sodepur	
Berhampur	
Chandanpukur	
Dattapukur	
Ichapur	

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Fifth Annual Report together with the Audited Accounts for the period ended March 31, 2010.

Financial Highlights

Particulars	Financial Year (in Rs Lacs)	
	2010	2009
Total Income	2,722,519	3,400,563
Total Expenditure	2,523,354	2,855,781
Profit Before Tax	199,165	544,782
Provision for Tax	(49,306)	173,678
Profit After Tax	248,471	371,104
Balance brought forward from previous year	698,220	327,116
Balance Carried forward to Balance Sheet	946,691	698,220

DIVIDEND

Your Directors regret that no dividend can be recommended due to inadequate profits.

BUSINESS PERFORMANCE & FUTURE OUTLOOK

Although the income and profit have been lower during the year under consideration as compared to the

previous year, inspite of lower expenditure, with the expansion of business to the retail clients, your Directors express confidence to have a better year ahead.

AUDITORS' REPORT

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

AUDITORS

The Auditors, M/s. U S Agarwal & Associates, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The nature of the business of your Company is such that it is not required to report about the technology absorption and conservation of energy.

During the year under review, the foreign exchange earnings and outgoes were nil.

PARTICULARS OF EMPLOYEES

The company had no employees of the category mentioned u/s 217 (2A) of the Companies Act, 1956 during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) in preparation of annual accounts, all applicable accounting standards have been followed and proper explanations relating to material departures, if any have been furnished.

- ii) Accounting policies as listed in Schedule 1 to the financial statements have been selected and consistently applied and reasonable and prudent judgments and estimates have been made so far as to give a true and fair view of the state of affairs of the company as on March 31, 2010 and of the profit of the company for the accounting year ended that day.
- iii) Proper and sufficient care for maintenance of adequate records has been taken in accordance with the provision of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

The Board expresses its deep gratitude and thanks to the clients, bankers, business associates, employees and shareholders for their valuable contribution towards the progress of the Company.

Registered Office:

Chatterjee International Centre, Level 21
33A, Jawahar Lal Nehru Road
Kolkata 700071, India
Date: 23rd April, 2010

For and on behalf of the Board

Naresh Pachisia
Director

AUDITORS REPORT

To the Members of SKP Commodities Limited,

1. We have audited the attached Balance Sheet of SKP Commodities Ltd as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals 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 as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
 4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by
- this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956;
 - 5) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For and on behalf of
**U.S. AGARWAL &
ASSOCIATES**
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Kolkata
Dated: 23rd April, 2010

ANNEXURE TO THE AUDITORS' REPORT OF SKP COMMODITIES LIMITED
for the year ended 31st March, 2010
(Referred to in paragraph 3 of our report of even date)

- | | |
|---|--|
| <p>i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>b) As explained to us, the fixed assets have been physically verified by the management, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.</p> <p>c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year.</p> <p>ii) The nature of Company's business is such that there is no inventory during the year. As such, the provisions of this clause are not applicable.</p> <p>iii) In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the nature of its business with regard to purchase, fixed assets and for the sale of services. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in internal control system.</p> <p>v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under</p> | <p>Section 301 of the Companies Act, 1956 have been so entered.</p> <p>b) In our opinion and according to the information and explanations given to us, there were no transactions of purchase and sale of goods and services made in pursuance of contracts or arrangements entered in the register maintained u/s 301 and exceeding the value of Rs. Five Lacs.</p> <p>vi) The Company has not accepted any deposits from the public under the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.</p> <p>vii) In our opinion, the internal audit done by the management is commensurate with the size of the company and the nature of its business.</p> <p>viii) Provisions of this clause regarding maintenance of cost records are not applicable to the Company.</p> <p>ix) a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, which have remained outstanding as at 31st March, 2010 for a period of more than six months from the date on which they became payable.</p> <p>b) In our opinion and according to the information and explanations given to us, there are no dues of sales tax, income tax, wealth tax, excise duty, custom duty, service tax and cess which have not been deposited on account of any dispute as at 31st March, 2010.</p> |
|---|--|

- x) In our opinion and according to the information and explanations given to us, the Company has no accumulated losses as at 31st March, 2010, and has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or 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 Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv) The Company has not done any trading in shares, debentures and other investments during the year under review. As such the provisions of this clause are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) According to the information and explanations given to us, the Company has not taken any Term Loan during the year.
- 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 investments by the company.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies/ firms covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any Debentures during the year. As such, the provisions of clause 4(xix) of the order are not applicable to the Company.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) According to the information and explanations given to us and on our examination of books and records, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)
Kolkata
Dated: 23rd April, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

		AS AT	AS AT
SCHEDULES		31.03.2010	31.03.2009
		Rs.	Rs.
SOURCES OF FUNDS			
1	Shareholders' Funds :		
	a) Share Capital 1	10,000,000	10,000,000
	b) Reserve & Surplus :		
	Profit & Loss Account Balance	946,691	698,220
2	Deferred Tax Liability	15,403	138,560
		10,962,094	10,836,780
APPLICATION OF FUNDS			
1	Fixed Assets		
	Computers (Gross)	419,003	419,003
	Less : Depreciation to date	357,552	316,585
	Net Block	61,451	102,418
2	Investments 2	-	20,000
3	Current Assets 3	7,861,462	9,352,755
4	Loans & Advances 4	4,447,689	4,464,524
		12,309,151	13,817,279
	Less : Current Liabilities & Provisions 5	1,408,508	3,139,149
	Net Current Assets	10,900,643	10,678,130
5	Miscellaneous Expenditure :		
	(to the extent not written off or adjusted)		
	Preliminary Expenses	-	36,232
		10,962,094	10,836,780

Significant accounting policies & notes to 8
 Accounts

Schedules 1 to 5 and 8 as referred above form an integral part of the Balance Sheet

As per our report of even date
For U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

For and on behalf of Board of Directors

CA U.S. AGARWAL
 Partner
 (Membership No. 051895)

Naresh Pachisia Rajesh Pachisia
 Directors

Kolkata
 Dated: 23rd April, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCHEDULES	2009-2010	2008-2009
		Rs.	Rs.
INCOME			
Income from Operations	6	1,900,267	2,790,768
Interest (Gross) (TDS Rs.154,999/- P.Y.Rs.193,923)		822,252	609,795
		2,722,519	3,400,563
EXPENDITURE			
Administrative & Operative Expenses	7	2,133,653	2,751,270
Bad Debts written off		312,501	-
Depreciation		40,968	68,279
Preliminary Expenses Written off		36,232	36,232
		2,523,354	2,855,781
Profit Before Tax		199,165	544,782
Provision for Taxation		68,824	175,994
Provision for FBT		-	4,768
Tax for Earlier Year		5,027	-
Deferred tax liability		(123,157)	(7,084)
Profit after Tax		248,471	371,104
Add : Balance Brought Forward		698,220	327,116
Balance Carried to Balance Sheet		946,691	698,220

Significant Accounting Policies & Notes to Accounts 8

Schedules 6 to 8 as referred above form an integral part of the Profit & Loss Account

As per our report of even date
For U.S. AGARWAL & ASSOCIATES

Chartered Accountants
Firm Registration No. 314213E

For and on behalf of Board of Directors

CA U.S. AGARWAL

Partner
(Membership No. 051895)

Naresh Pachisia Rajesh Pachisia
Directors

Kolkata
Dated: 23rd April, 2010

SCHEDULES TO THE ACCOUNTS

SHARE CAPITAL	AS AT	AS AT
	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 1		
Authorised :		
1,000,000 Equity Shares of Rs. 10/- each		
Issued, Subscribed & Paid-up :	10,000,000	10,000,000
1,000,000 Equity Shares of Rs. 10/- each		
fully paid in cash	10,000,000	10,000,000
(All shares held as at 31.03.10 by SKP Securities Ltd. the Holding Company)	10,000,000	10,000,000

INVESTMENTS	AS AT	AS AT
	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 2		
Other than trade investments		
National Saving Certificate	-	20,000
	-	20,000

CURRENT ASSETS	AS AT	AS AT
	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 3		
Sundry Debtors (Unsecured, considered good)		
Outstanding Over Six Months	83,124	311,440
Other Debts	73,920	1,102,082
Cash in hand (as certified)	17,171	49,681
Balances with Scheduled Banks in		
Current Accounts	314,277	667,533
Fixed Deposits	7,079,822	6,884,789
Accrued Interest	293,148	337,230
	7,861,462	9,352,755

SCHEDULES TO THE ACCOUNTS

LOANS & ADVANCES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 4		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	175,071	163,377
Deposits with MCX & NCDEX	3,675,000	3,675,000
Additional Base Capital (MCFO)	-	95,388
Prepaid Expenses	-	89,622
Advance Income Tax	574,205	359,765
Advance F.B.T.	-	28,219
Advance for MCX Lease Line	23,413	53,153
	<u>4,447,689</u>	<u>4,464,524</u>

CURRENT LIABILITIES & PROVISIONS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 5		
Current Liabilities:		
Sundry Creditors for Expenses	97,096	109,623
Client Margin Money Deposits	-	2,009,187
Advance from Customers	808,506	499,245
Temporary Overdraft From Banks	-	11,239
Security Deposit	75,000	-
NCDEX /MCX - Settlement	-	26,679
TDS Payable	65,639	161,245
	<u>1,046,241</u>	<u>2,817,218</u>
Provisions:		
Provision for Income Tax	362,267	293,443
Provision for FBT	-	28,488
	<u>1,408,508</u>	<u>3,139,149</u>

INCOME FROM OPERATIONS	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 6		
Brokerage Income	1,900,267	2,790,768
	1,900,267	2,790,768

ADMINISTRATIVE & OPERATIVE EXPENDITURE	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 7		
Staff Costs (Salary, Bonus & Allowances)	322,548	557,276
Staff Welfare	-	23,990
Rates & Taxes	4,900	13,348
Insurance	13,952	11,071
DP Charges	159,165	34,822
Conveyance Expenses	11,170	58,040
Connectivity Charges	95,806	136,333
Computer Expenses	55,101	176,016
Commission on Brokerage	562,852	1,123,427
Auditors' Remuneration :		
Audit Fees	15,000	15,000
For Tax Matter	1,500	5,500
Bank Charges	179,877	123,495
Data Base Expenses	505,662	14,000
Transaction Charges	134,167	191,497
General Expenses	71,953	66,426
	2,133,653	2,751,270

SCHEDULES TO THE ACCOUNTS

SCHEDULE - 8

SIGNIFICANT ACCOUNTING POLICIES NOTES TO ACCOUNTS

1 ACCOUNTING POLICIES :

i) Accounting Concepts

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and adopted consistently by the Company.

ii) The Company follows the Mercantile system of Accounting and recognises Income and Expenditure on accrual basis.

iii) Fixed Assets & Depreciation :

a Fixed Assets are stated at their original cost of acquisition including all related expenses for installations.

b Depreciation on Fixed Assets (Other than MCX Membership) for the year has been provided on Written Down Value Method at the rates and in the manner as specified in the Schedule XIV to the Companies Act, 1956.

iv) Preliminary Expenses is being amortised over a period of five years as per Section 35D of the Income Tax Act, 1961.

2	Year Ending	Year Ending
Deferred tax Liability:	<u>31.03.2010</u>	<u>31.03.2009</u>
Depreciation difference	15,403	138,560
Less : Deferred Tax Liability already provided	138,560	145,644
NET DEFERRED TAX LIABILITY	<u>-123,157</u>	<u>-7,084</u>

3 Related party transactions during the year:

a. Holding Company SKP Securities Limited

b. Parties where control exists –

Naresh Pachisia, Director

NIL

NIL

Rajesh Pachisia, Director

NIL

NIL

c. Enterprises over which significant influence exercised by

None

None

4	2009-10	2008-09
Earnings Per Share :	<u>2009-10</u>	<u>2008-09</u>
Net profit for the year attributable to Equity Shareholders'	248,471	371,104
Weighted average number of equity shares Basic and diluted	1,000,000	1,000,000
Earnings per Share (face value of Rs.10 each)	0.25	0.37

5 Contingent liability not provided in respect of Bank Guarantees of Rs.75.00 Lacs (Previous Year Rs. 75.00 Lacs) obtained from Banks to be utilized as and when required.

6 Fixed Deposits of Rs. 40.80 lacs (Previous Year Rs.38.75 lacs) with Banks are under lien against Bank Guarantees.

- 7 Segment Reporting :
The Company has only one segment, hence segment reporting is not applicable.
- 8 In the opinion of the Board of Directors Current Assets, Loans & Advances have a value of realisation in the ordinary course of business at least equal to the amount at which these are stated.
- 9 The Company has not received any information from any of the suppliers as defined under the "Micro, Small & Medium Enterprises Act, 2006". Hence, the amount outstanding to these units as on 31st March 2010 are not ascertainable.
- 10 Figures for the Previous Year have been regrouped / rearranged wherever necessary.
- 11 Additional Information Pursuant to Part IV of Schedule VI to the Companies Act' 1956.
- Balance Sheet Abstract & General Business Profile

I. Registration Details

Registration No.	
U74999WB2005PLC103671	
State Code No.	021
Balance Sheet Date	31.03.2010

II. Capital Raised during the Year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	10,962
Total Assets	10,962

Source of Funds

Paid-up Capital	10,000
Reserve & Surplus	947
Secured Loans	Nil
Unsecured Loans	Nil
Deferred Tax Liability	15

Application of Funds

Net Fixed Assets	61
Investments	Nil
Net Current Assets	10,901
Misc. Expenditure	Nil
Accumulated Losses	Nil

IV. Performance of Company

Turnover	2,722
Total Expenditure	2,523
Profit Before Tax	199
Profit After Tax	248
Earning Per Share in Rs.	0.25
Dividend Rate %	Nil

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

Item Code No.	(Not Classified)
Product Description	(Not Classified)

As per our report of even date
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

For and on behalf of Board of Directors

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Naresh Pachisia Rajesh Pachisia
Directors

Kolkata
Dated: 23rd April, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2010

	Year Ended 31.03.2010	Year Ended 31.03.2009
	Rs.	Rs.
A. Cash flow from operating activities :		
Net profit before tax and extra-ordinary items	199,165	544,782
Adjustments for :		
Depreciation	40,968	68,279
Issue/Preliminary Expenses written off	36,232	36,232
Interest/Dividend	(822,252)	(609,795)
Loss on Asset Discarded	-	-
Operating profit before working Capital changes	<u>(545,887)</u>	<u>39,498</u>
Adjustments for :		
Trade & Other Receivables	1,256,478	12,565
Other Current Assets	275,356	5,918,013
Misc. Expenses	-	-
Trade Payables	(1,770,977)	(8,217,219)
Cash generated from operation	<u>(239,143)</u>	<u>(2,286,641)</u>
Direct taxes paid	247,955	205,361
Cash flow before extraordinary items	<u>(487,098)</u>	<u>(2,492,002)</u>
Net cash from operating activities	(1,032,985)	(2,452,504)
B. Cash flow from investing activities :		
Purchase of Fixed assets	-	-
Sale/Discard of Fixed Assets	-	-
Purchase/Sale of Investments	20,000	-
Interest Received	822,252	609,795
Dividend Received	-	-
Net cash used in investing activities	<u>842,252</u>	<u>609,795</u>
C. Cash flow from financial activities :		
Proceeds from Issuance of Equity Share Capital	-	-
Secured Loan	-	-
Dividends Paid including Tax on Dividend	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	(190,733)	(1,842,709)
Cash and cash equivalents as at 01.04.2009	7,602,003	9,444,712
Cash and cash equivalents as at 31.03.2010	<u>7,411,270</u>	<u>7,602,003</u>

C E R T I F I C A T E

We have verified the annexed Cash Flow Statement of SKP Commodities Ltd. derived from the financial statements for the year ended March 31, 2010 and found the same to be in accordance therewith.

For and on behalf of
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)
42/1, B. B. Ganguly Street, Kolkata - 700 012

Kolkata
Dated: 23rd April, 2010

Auditor's Report on Consolidated Financial statements

To the Board of Directors of SKP Securities Limited,

1. We have examined the attached Consolidated Balance Sheet of **SKP SECURITIES LIMITED**, its Subsidiary and Associate as at 31st March, 2010, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

2. These financial statements are the responsibility of the management of the Company 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.

3. 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.

4. The financial statements for the year ended 31st March, 2010 of SKP Commodities Limited the Subsidiary Company whose total assets of Rs.12,370,602/- and total revenue of Rs.2,722,519/- and the related Cash Flows have been proportionately consolidated.

5. We report that the Consolidated Financial Statements have been prepared by the management of SKP Securities Limited in accordance with Accounting Standard- 21, "Consolidated Financial

Statements" and Accounting Standard- 23, "Accounting for Investment in Associates in Consolidated Financial Statements" notified under the Companies (Accounting Standard) Rules, 2006 on the basis of separate audited financial statements of SKP Commodities Limited, its Subsidiary and Associate.

6. Subject to the above and on the basis of the information and explanations given to us and based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its Subsidiary and Associate read together with Significant Accounting Policies and Notes thereon, we are of the opinion that the attached 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 consolidated state of affairs of SKP Securities Limited, its Subsidiary and Associate as at 31st March, 2010;

ii) In the case of the Consolidated Profit & Loss Account, of the consolidated result of operation of SKP Securities Limited, its Subsidiary and Associate for the year ended on that date; and

iii) In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of SKP Securities Limited, its Subsidiary and Associate for the year ended on that date.

For and on behalf of
**U.S. AGARWAL &
ASSOCIATES**

Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL

Partner
(Membership No. 051895)

Kolkata
Date: 23rd April, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

		AS AT	AS AT
SCHEDULES		31.03.2010	31.03.2009
		Rs.	Rs.
SOURCE OF FUNDS			
1	Shareholders' funds		
	a) Share Capital	1	56,150,000
	b) Reserve & Surplus	2	103,168,810
2	Loan Funds		
	Secured Loans	3	26,178,633
3	Deferred Tax Liability		3,117,195
		188,614,638	164,002,732
APPLICATION OF FUNDS			
1	Fixed Assets		
	Gross Block	4	43,899,028
	Less : Depreciation		15,392,027
	Net Block		28,507,001
2	Investments	5	-
3	Current Assets, Loans & Advances		
	a) Current Assets	6	146,220,556
	b) Loans & Advances	7	78,406,923
			224,627,479
	c) Less : Current Liabilities & Provisions	8	64,519,842
	Net Current Assets		160,107,637
4	Miscellaneous Expenditure		
	(To the extent not written off or adjusted)		
	Preliminary Expenses		-
		188,614,638	164,002,732

 Significant Accounting Policies &
 Notes on Accounts

12

-

-

Schedules 1 to 8 and 12 referred to above form an integral part of the Balance Sheet

 As per our report of even date
U.S. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 314213E
For and on behalf of Board of Directors
CA U.S. AGARWAL
 Partner
 (Membership No. 051895)

Naresh Pachisia Rajesh Pachisia
 Managing Directors

 Kolkata
 Dated: 23rd April, 2010

Shilpi Sureka
 Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

SCHEDULES	2009-2010	2008-2009
	Rs.	Rs.
INCOME		
Income from Operations 9	144,014,842	97,690,260
Interest (Gross) (TDS Rs. 653,432/-, P.Y. Rs.837,696/-)	6,595,799	3,514,449
	<u>150,610,641</u>	<u>101,204,709</u>
EXPENDITURE		
Operative Expenses 10	54,940,265	32,847,384
Administrative & Other Expenses 11	53,749,770	60,759,689
Interest	2,175,091	989,494
Loss on Fixed Assets sold/discarded	1,517,428	71,759
Depreciation	6,431,651	5,417,509
Bad Debts written off	1,487,947	21,204
Preliminary Expenses written off	76,232	76,232
	<u>120,378,384</u>	<u>100,183,271</u>
Profit Before Tax	30,232,257	1,021,438
Provision for Tax	8,368,824	197,163
Less/(Add): Income Tax For Earlier Years	5,027	-
Less/(Add): Deferred Tax Liability	1,778,921	(766,659)
Less : Provision for FBT	-	345,768
Profit After Tax	20,079,485	1,245,166
Add : Balance Brought Forward	56,117,594	54,872,428
AMOUNT AVAILABLE FOR APPROPRIATION	76,197,079	56,117,594
APPROPRIATIONS		
Amount transferred to General Reserve	4,000,000	-
Proposed Dividend	5,615,000	-
Dividend Distribution Tax	954,269	-
Balance Carried to Balance Sheet	65,627,810	56,117,594
	<u>76,197,079</u>	<u>56,117,594</u>

Basic & Diluted Earnings per Share of Rs. 10/- each

3.58

0.19

Significant Accounting Policies
& Notes on Accounts

12

Schedules 9 to 12 referred to above form an integral part of the Profit & Loss Account

As per our report of even date
U.S. AGARWAL & ASSOCIATES

For and on behalf of Board of Directors

Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Naresh Pachisia Rajesh Pachisia
Managing Directors

Kolkata
Dated: 23rd April, 2010

Shilpi Sureka
Company Secretary

SCHEDULES TO THE ACCOUNTS

SHARE CAPITAL	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 1		
AUTHORISED :		
100,00,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
ISSUED, SUBSCRIBED & PAID UP		
5615000 Equity Shares of Rs.10/- each fully paid up (Out of which 27,50,000 Equity Shares of Rs. 10/- each allotted as fully paid up pursuant to the scheme of amalgamation of SKP Brokerage Ltd with the Company)	56,150,000	66,150,000
	56,150,000	66,150,000

RESERVES & SURPLUS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 2		
General Reserve (As per Last Balance Sheet)	10,376,000	10,376,000
Add : Transfer from Profit & Loss Account	4,000,000	-
	14,376,000	10,376,000
Share Premium Account	23,165,000	23,165,000
Profit & Loss Account Balance	65,627,810	56,117,594
	103,168,810	89,658,594

SECURED LOANS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 3		
Equipment Finance	1,675,953	4,291,075
Short Term Working Capital	20,000,000	-
Bank Overdraft	3,366,422	2,412,498
Auto Loans	1,136,258	152,291
	26,178,633	6,855,864

SCHEDULES TO THE ACCOUNTS

SCHEDULE - 4

FIXED ASSETS

(all figures in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	Cost as at 01.04.09	Additions	Deletion/ Discard	Total as at 31.03.10	Upto 01.04.09	For the year	Deletion/ Discard	Total as at 31.03.10	As at 31.03.10	As at 31.03.09
Tangible Assets:										
Plant	69,874	-	69,874	-	48,002	3,319	51,321	-	-	21,872
Computer	10,950,531	876,539	-	11,827,070	4,289,989	1,812,628	-	6,102,617	5,724,453	6,660,542
Office Equipments	4,268,584	13,500	40,025	4,242,059	677,627	217,266	3,651	891,242	3,350,817	3,590,957
Furniture & Fixtures	11,235,262	13,500	1,451,523	9,797,240	967,599	688,850	169,391	1,487,058	8,310,182	10,267,663
Vehicles	3,689,957	1,605,585	891,405	4,404,137	1,252,213	352,458	496,036	1,108,634	3,295,503	2,437,744
Intangible Assets:										
Computer Softwares	9,781,389	3,647,133	-	13,428,522	2,445,347	3,357,130	-	5,802,477	7,626,045	7,336,042
Stock Exchange	200,000	-	-	200,000	-	-	-	-	200,000	200,000
Membership Shares										
TOTAL	40,195,597	6,156,257	2,452,827	43,899,027	9,680,777	6,431,651	720,400	15,392,028	28,506,999	30,514,820
Previous Year	28,768,085	12,261,690	834,178	40,195,597	4,905,687	5,417,509	642,419	9,680,777	30,514,820	

Note : Cost of Stock Exchange Shares represents face Value of one Equity Share of Rs.1/- of The Calcutta Stock Exchange Association Limited.

SCHEDULES TO THE ACCOUNTS

INVESTMENTS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 5		
Long Term, other than Trade Unquoted		
SKP Commodities Ltd	-	4,900,000
Current Year Nil (P.Y.4,900,000) equity shares of Rs.10/- each fully paid up.		
In Mutual Funds		
Birla Sun Life Income Plus-Growth (Current Value Rs. Nil P.Y. Rs.2,486,965/-)	-	2,500,000
Other than trade investment		
National Saving Certificate	-	20,000
	-	7,420,000

CURRENT ASSETS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 6		
Sundry Debtors (Unsecured, considered good)		
Outstanding Over Six Months	2,047,273	6,142,837
Other Debts	4,108,361	15,686,922
Cash-in-hand (Including stamps of Rs.89,885/- Previous year- Rs.86,112/-)	696,054	911,702
Balances with Scheduled Banks in		
Current Accounts	65,808,455	56,721,183
Fixed Deposits	71,272,535	42,751,673
Accrued Interest	2,287,878	1,759,699
	146,220,556	123,974,016

LOANS & ADVANCES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 7		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	5,231,103	7,809,584
Deposits with Stock Exchanges & Clearing Agent	48,210,000	53,480,873
Deposits with Depositories	1,250,000	1,250,000
Security Deposit for Office Premises	3,389,802	4,645,306
Other Security Deposits	10,000	324,351
Prepaid Expenses	740,137	594,146
Advance MCX Lease Line	23,413	53,153
Advance Income Tax & FBT	19,552,468	13,480,361
	78,406,923	81,637,774

CURRENT LIABILITIES & PROVISIONS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - 8		
Sundry Creditors	1,713,392	372,602
Liabilities for Expenses	3,433,104	2,051,266
Advances from Clients	31,106,555	64,718,327
Temporary Overdraft From Banks	-	11,239
Security Deposit	75,000	-
TDS Payable	65,639	161,245
NCDEX/MCX - Settlement	-	26,679
Other Liabilities	996,446	58,651
	37,390,136	67,400,009
Provisions :		
Provision for Tax	19,783,437	11,414,613
Provision for Fringe Benefit Tax	777,000	805,488
Proposed Dividend	5,615,000	-
Dividend Distribution Tax	954,269	-
	27,129,706	12,220,101
	64,519,842	79,620,110

INCOME FROM OPERATIONS	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 9		
Operations	143,699,849	Income from 96,481,080
Profit Proprietary Investments	-	8,656
Dividend	63,285	271,136
Bad Debts written back	-	47,694
Miscellaneous Receipts	251,708	881,694
	144,014,842	97,690,260

OPERATIVE EXPENSES	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - 10		
Connectivity Charges	2,499,239	2,836,469
Bank Charges	944,252	730,107
Commission on Brokerage	41,810,855	20,411,255
Stamp Duty	2,774,829	3,229,233
Transaction Charges	3,311,830	2,725,234
Security Transaction Tax	124,944	72,912
Depository Charges	1,878,253	1,269,736
Database Expenses	1,596,063	1,572,438
	54,940,265	32,847,384

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2010

	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
A. Cash flow from operating activities :		
Net profit before tax and extra-ordinary items	30,232,257	1,021,438
Adjustments for :		
Depreciation	6,431,651	5,417,509
Bad debts written off	1,487,947	21,204
Issue/Preliminary Expenses written off	76,232	76,232
Interest/Dividend	(6,659,084)	(3,785,585)
Loss on Asset Discarded	1,517,428	71,759
Operating profit before working Capital changes	33,086,431	2822557
Adjustments for :		
Trade & Other Receivables	14,186,178	(3,387,898)
Other Current Assets	8,774,776	30,259,980
Misc. Expenses	-	-
Trade Payables	(30,009,873)	(12,389,983)
Cash generated from operation	26,037,512	17304655
Direct taxes paid	6,105,622	2,745,575
Cash flow before extraordinary items	19,931,890	14,559,080
Net cash from operating activities	19,931,890	14559080
B. Cash flow from investing activities :		
Purchase of Fixed assets	(6,156,257)	(12,261,690)
Sale/Discard of Fixed Assets	215,000	120,000
Purchase/Sale of Investments	(2,580,000)	(2,500,000)
Interest Received	6,595,799	3,514,449
Dividend Received	63,285	271,136
Net cash used in investing activities	(1,862,173)	-10856105
C. Cash flow from financial activities :		
Proceeds from Issuance of Equity Share Capital	-	-
Secured Loan	19,322,769	(4,647,451)
Dividends Paid including Tax on Dividend	-	(8,211,586)
Net cash used in financing activities	19,322,769	-12859037
Net increase in cash and cash equivalents	37,392,486	(9,156,062)
Cash and cash equivalents as at 01.04.2009	100,384,558	109,540,620
Cash and cash equivalents as at 31.03.2010	137,777,044	100,384,558

C E R T I F I C A T E

We have verified the annexed Consolidated Cash Flow Statement of SKP Securities Ltd. derived from the financial statements for the year ended March 31, 2010 and found the same to be in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement the Stock Exchange.

For and on behalf of
U.S. AGARWAL & ASSOCIATES

Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)
42/1, B.B. Ganguly Street, Kolkata - 700 012.
Kolkata
Dated: 23rd April, 2010

SCHEDULES TO THE ACCOUNTS

SCHEDULE -- 12 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES

1) Basis of Accounting:

The Consolidated Financial Statements relate to SKP Securities Limited (“the Company”), its subsidiary. The Company and its Subsidiaries constitute the Group.

a) Basis of Accounting:

- i) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as of the Company i.e 31st March, 2010
- ii) The Financial Statement 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.

b) Principals of consolidation:

The financial statement of the Company and its subsidiary has been combined on a line by line basis by adding together like items of assets, liabilities, income and expenditure.

c) Company considered in the Consolidated Financial Statement:

Name of the Company	Country of Incorporation	Percentage of ownership interest as on 31.3.2010	Percentage of ownership interest as on 31.3.2009	Financial Year ends on
SKP Commodities Limited	India	100%	49%	31 st March 2010

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

- a. The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and adopted consistently by the Company.
- b. The Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis.
- c. Fixed Assets & Depreciation/Amortization:
 - i) Fixed Assets are stated at their original cost of acquisition including all the related expenses for installations.
 - ii) In case of SKP Securities Ltd, Depreciation on Fixed Assets (Other than the equity share of The Calcutta Stock Exchange Ltd.) for the year has been provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956
 - iii) In case of SKP Commodities Ltd, Depreciation on Fixed Assets (Other than Stock Exchange Membership Card) for the year has been provided on written down value Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956
 - iv) In view of long term use of Computer software, the same are being amortized over a period of four years
- d. Investments:
Long-term investments are valued at cost
- e. Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year as determined with the provisions of the Income Tax Act,1961.

Deferred tax is recognized, on timing difference, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

- f. Gratuity liability has been provided as per Actuarial Valuation as per revised Accounting Standard 15 and has been paid to an approved Gratuity Fund
- During the year, SKP Commodities Limited has become 100% subsidiary of the Company consequent to acquisition of their shares by the Holding Company.
 - Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956.

Traded Items	2009-2010		2008-2009	
	Quantity In Nos.	Amount Rs.	Quantity In Nos.	Amount Rs.
Opening Stock of Mutual Fund Units	62,787	2,500,000	-	-
Purchases of Mutual Fund Units	8,108,826	85,030,294	2,512,437	80,000,000
Switched/ Redemption of Mutual Fund Units	8,171,613	87,559,453	2,449,650	77,779,791
Closing Stock of Mutual Fund Units	-	-	62,787	2,500,000

- Equipment Finance from HDFC Bank is secured by Fixed Assets of the company financed by them and against Fixed Deposits.
 - Short Term Working Capital & Bank Overdraft are secured against fixed deposits.
 - Auto Loans are secured against vehicle financed by the respective financier.
- Contingent liability not provided in respect of Bank Guarantees of Rs.410.00 Lacs (Previous Year Rs.335.00 Lacs) obtained from Banks to be utilized as and when required.
 - Fixed Deposits of Rs. 21,952,107/- (Previous Year Rs. 19,850,943/-) with Banks are under lien against Bank Guarantees.
 - Deposit of Rs.984,365/- (Previous Year.Rs.984,365/-) and Fixed Deposit of Rs.5,000,000/- (Previous Year.Rs.5,000,000/-) are deposited with The Calcutta Stock Exchange Association Ltd. and National Security Clearing Corporation Ltd. respectively towards margin to be utilised as and when required.
 - Fixed Deposits of Rs.340.80 Lacs (Previous Year Rs.138.75 Lacs) is under lien with bank for Short Term Loan, Bank Guarantees, Overdraft & Equipment Finance facility.
 - Total Interest amount of Rs.2,175,091/- Includes interest on Equipment Finance taken by the company amounting to Rs. 1,258,197/- (Previous Year- Rs. 673,112/-)

6. <u>Earnings Per Share:</u>	<u>2009-10</u>	<u>2008-09</u>
	Rs.	Rs.

Net profit for the year attributable to Equity Shareholders (Rs.)	20,079,485	1,245,166
Weighted Average Number of Equity Shares	5,615,000	6,615,000
Basic & Diluted earnings per share of Rs.10 each	Rs.3.58	Rs.0.19

7. <u>Deferred tax Liability:</u>	<u>2009-10</u>	<u>2008-09</u>
	Rs.	Rs.
Depreciation difference	3,117,195	1,338,274
NET DEFERRED TAX LIABILITY	3,117,195	1,338,274
8. <u>Funded Post Retirement Plan for Gratuity:</u>	<u>2009-10</u>	<u>2008-09</u>
	Rs.	Rs.
Liability to be recognized in Balance Sheet as on 31.03.10		
Present value of Obligations	1,154,000	978,667
Fair Value of Plan Assets	1,506,938	1,059,531
Net Asset	352,938	80,864
Change in Plan Assets (Reconciliation of Opening & Closing Balances)		
Fair Value of Plan Assets as on 01.04.09	1,059,531	697,000
Expected Return on plan Assets	84,762	-
Actuarial Gain/(Losses)	398,703	(47,174)
Contributions	-	447,407
Benefits Paid	-	93,462
Fair Value of Plan Assets as at 31.03.10	1,506,938	1,059,531
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at 01.04.09	978,667	1,076,521
Current Service Cost	436,518	272,104
Interest cost	76,851	77,234
Actuarial Losses/(Gain)	(301,977)	(353,730)
Benefits Paid	36,059	93,462
Obligation as on 31.03.10	1,154,000	978,667
Expenditure to be recognized during the year		
Current Service Cost	436,518	272,104
Interest Cost	76,851	77,234
Expected Return on Plan Assets	84,762	55,760
Net Actuarial Losses/(Gain)		
Recognized during the year	(700,680)	(306,556)
Total Expenditure included in Employees Emoluments	(272,074)	(12,978)
Assumptions		
Discount Rate (Per Annum)	8.00%	7.50%
Expected Rate of Return on Assets (Per Annum)	8.00%	8.00%
Salary Escalation Rate	5.00%	--
9. <u>Managerial Remuneration</u>	<u>2009-10</u>	<u>2008-09</u>
Salary to Managing Directors	3,900,000	2,121,900
10. <u>Related Party Disclosure as per Accounting Standard -18 are given below</u>		
a. Parties where control exists –		
Shri Naresh Pachisia, Managing Director(Brother of Shri Rajesh Pachisia)		
Shri Rajesh Pachisia, Managing Director(Brother of Shri Naresh Pachisia)		
b. Key Management Personnel & their Relatives:		
M/s Surender Kumar Pachisia & Sons (HUF)		
Shri Giridhari Lal Sultania		
Shri Kishore Bhimani		
Smt Rita Bhimani		
Smt. Manju Pachisia		
Smt. Vatsala Pachisia		
M/s. Naresh Pachisia & Sons		
M/s. Rajesh Pachisia & Sons		
Shri Nikunj Pachisia		

c. Transactions with Related Parties:

(All figures in Rs.)

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which significant influence exercised by Directors & Major Shareholders	Total	
				2009-10	2008-09
Purchase of Securities	3,179,868	5,141,924	- Nil-	8,321,792	1,059,231
Sale of Securities	38,137	4,668,495	- Nil-	4,706,632	797,437
Remuneration	3,900,000	76,000	- Nil-	3,986,000	2,251,900
Rent Received	- Nil-	- Nil-	- Nil-	- Nil-	114,000
Directors Sitting Fees	140,000	- Nil-	- Nil-	140,000	130,000
Hire Installments Paid	- Nil -	- Nil -	- Nil-	- Nil-	60,713
Outstanding Balances as at 31 st March, 2010	- Nil -	- Nil -	- Nil -	- Nil-	- Nil-

11. The Company has not received any information from any of the suppliers as defined under the "Micro, Small and Medium Enterprises Act, 2006". Hence, the amount outstanding to these units as on 31st March 2010 is not ascertainable.
12. The Equity Shares of the SKP Securities Limited is listed at BSE Ltd. and the annual listing fees have been paid for the year. The Company has voluntarily de-listed itself from The Calcutta Stock Exchange Association Limited
13. In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these are stated.

14. Expenditure in Foreign Currency:	2009-10	2008-09
	Rs.	Rs.
Subscription	53,197	43,334
Travelling	10,234	NIL

15. **Segment Reporting:** The Company has only one segment; hence, segment reporting is not applicable.
16. Miscellaneous Expenses for the year includes Rs 4.96 lacs being loss on account of forgery/fraud for which FIR has been lodged by the Company and reasonable action is being taken for recovery of the said amount.
17. Figures for the Previous Year have been regrouped / rearranged wherever necessary

Signature to schedules 1 to 12

For and on behalf of
U.S. AGARWAL & ASSOCIATES

Chartered Accountants
Firm Registration No. 314213E

CA U.S. AGARWAL
Partner
(Membership No. 051895)

Kolkata
Dated: 23rd April, 2010

For and on behalf of Board of Directors

Naresh Pachisia Rajesh Pachisia
Managing Directors

Shilpi Sureka
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 20th ANNUAL GENERAL MEETING of the members of SKP Securities Limited at Merchant's Chamber of Commerce, 15B Hemant Basu Sarani, Kolkata 700 001 on Saturday, 31st July, 2010 at 10:30 A.M.

.....
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 2009 – 10 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/Miss
.....of
as my/our proxy to attend and vote for me / us on my / our behalf at the 20th ANNUAL
GENERAL MEETING of the Company to be held at Merchant's Chamber of Commerce,
15B Hemant Basu Sarani, Kolkata 700 001 on Saturday, 31st July, 2010 at 10:30 A.M.
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 of2010

Signature.....

Revenue Stamp Rs 1.00

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

