

**SKP Securities Ltd**

**Registered Office:**

Chatterjee International Centre  
Level 21  
33A Jawaharlal Nehru Road  
Kolkata 700 071, India

**Phone:**

+91 33 4007 7000

**Fax:**

+91 33 4007 7007

**Website:**

[www.skpmoneywise.com](http://www.skpmoneywise.com)

**E-mail:**

[info@skpmoneywise.com](mailto:info@skpmoneywise.com)

**CIN :**

L74140WB1990PLC049032

**Date: 5<sup>th</sup> July 2019**

To  
Deputy General Manager (Listing)  
Department of Corporate Services  
BSE Ltd.,  
Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor,  
Dalal Street, Mumbai- 400 001

Dear Sir/Madam,

**BSE Scrip Code: 531169**

**Sub: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI LODR') - Annual General Meeting, Annual Report and related matters**

Pursuant to the applicable provisions of SEBI LODR, we wish to inform you that the 29<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on Saturday, 27<sup>th</sup> July 2019, at 10:15 A.M. at Merchants' Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata – 700001. Accordingly, we hereby submit a copy of the AGM Notice and Annual Report of the Company for the Financial Year 2018-19.

Further, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20<sup>th</sup> July 2019 to Saturday, 27<sup>th</sup> July, 2019 (both days inclusive) for the purpose of AGM.

Further, in terms of Regulation 46 of SEBI LODR, the Annual Report along with the AGM Notice shall be hosted on the Company's website [www.skpsecuritoes.com](http://www.skpsecuritoes.com).

You are requested to take note of the same.

Thanking You,

Yours Sincerely,

**For SKP Securities Limited**

*Alka Khetawat*  
Alka Khetawat  
Company Secretary  
A47322



Encl: As above

**Investment Banking | Wealth Advisory & Prosperity Management | Broking | Distribution**

Sebi Regn. Nos : NSE : INB / INF / NSE 230707532 BSE : INB 010707538 NSDL : IN-DP-NSDL-222-2001 CDSL : IN-DP-155-2015 AMFI : ARN 0006 NPS : 04110 ISO 9001:2008



# Annual Report

2018-2019

**SKP** SECURITIES LTD

creating prosperity

Amongst Eastern India's  
Top Three  
Regional Financial Advisors



## Installation of Bio Toilets in Kolkata Slums A SKP CSR Initiative



## Financial Education & Inclusion Initiatives



SKP Investor/Partner Awareness Meets Across East

## The SKP Board of Directors



From Left to Right: Standing: Nikunj Pachisia, Ravi Todi, Saurabh Sonthalia, Paritosh Sinha, Naresh Pachisia. Sitting: Kishore Bhimani, Manju Pachisia, Santanu Ray

## SKP Annual General Meeting 2018



Section of Shareholders

## Board of Directors

Kishore Bhimani	- <i>Independent, Non-Executive Director</i>
Ravi Todi	- <i>Independent, Non-Executive Director</i>
Paritosh Sinha	- <i>Independent, Non-Executive Director</i>
Santanu Ray	- <i>Independent, Non-Executive Director</i>
Saurabh Sonthalia	- <i>Additional Independent Director (appointed w.e.f. 10<sup>th</sup> November, 2018)</i>
Manju Pachisia	- <i>Non-Independent / Non-Executive Director</i>
Nikunj Pachisia	- <i>Whole-time Director</i>
Naresh Pachisia	- <i>Managing Director</i>

## Chief Financial Officer

Anil Shukla

## Company Secretary

Alka Khetawat

## Statutory Auditors

M/s. G. P. Agrawal & Co.  
Chartered Accountants  
Unit 606, 6th Floor, Diamond Heritage,  
16, Strand Road, Kolkata - 700 001

## Registrar & Share Transfer Agent

Maheshwari Datamatics (P) Ltd.  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata 700 001  
Phone: (033) 2243 5029  
Fax : (033) 2248 4787  
Email: mdpldc@yahoo.com  
Website : www.mdpl.in

## Registered Office & Correspondence Address

Chatterjee International Centre, Level 21  
33A, Jawaharlal Nehru Road  
Kolkata - 700 071  
Phone : (033) 4007 7000  
Fax : (033) 4007 7007  
E-mail : cs@skpsecurities.com  
Website : www.skpsecurities.com  
CIN: L74140WB1990PLC049032

## Audit Committee

Santanu Ray (*Chairman*)  
Ravi Todi  
Naresh Pachisia

## Nomination & Remuneration Committee

Ravi Todi (*Chairman*)  
Kishore Bhimani  
Paritosh Sinha  
Naresh Pachisia

## Stakeholders Relationship Committee

Kishore Bhimani (*Chairman*)  
Ravi Todi  
Naresh Pachisia

## Corporate Social Responsibility Committee

Kishore Bhimani (*Chairman*)  
Manju Pachisia  
Naresh Pachisia

## Bankers

HDFC Bank Ltd.  
Axis Bank Ltd.  
State Bank of India

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## SKP SECURITIES LTD

creating prosperity

### **Our Logo** **symbolizes our Corporate Personality**

**SQUARE:** The solid shape symbolizes SKP as structurally grounded with a strong, stable and balanced foundation having an eye on basics. It also denotes integrity that lies in its pragmatic approach, on which society in general and clients in particular can depend upon, for right direction and peace of mind.

**GREY:** The formal colour of maturity and responsibility, like that of grey hair, depicts a safe, toned down and responsible SKP from which a new positive emerges that lends a steady effect on others. The dynamic yet subtle, conservative yet independent, conventional yet neutral, impartial yet practical approach of SKP, makes it trustworthy. It also creates a sense of calm & composure for its clients, providing them relief from an otherwise chaotic world.

**BLUE:** The calm, peaceful and harmonious blue reflects the sincerity and compassion of SKP reiterating that it cares about what it does for its clients. It redefines the facets of depth, loyalty, reliability and devotion amidst an aura of integrity, faithfulness and credibility. The corporate blue reflects the power of its strength and authority that emanates from its enthusiastic desire and determined spirits to be idealistic and judicious. Its controlled, clean and orderly, yet open & flexible approach, underlines its clarity of communication to its clients of being with them till eternity. It is a symbol of our maturity, confidence and success.

**CONCEPT:** The conventional but youthful & smart typeface symbolizes our capability to understand customer needs across age groups. The tagline symbolizes our vision.

### **The SKP Vision**

Bringing happiness through prosperity solutions

### **Core Values @ SKP**

Customers First  
Ethics  
Education  
Efficiency  
Empowerment  
Ownership

### **SEBI**

registered  
Stock Broker  
Research Analyst  
Merchant Banker  
Portfolio Manager  
Depository Participant

### **AMFI**

registered  
Mutual Funds Advisor

## **OUR SERVICES**

Broking  
Distribution  
Private Wealth  
Investment Banking  
Institutional Equities

## **OUR CLIENT SEGMENTS**

Banks  
Mutual Funds  
Insurance Companies  
Corporates & Business Houses  
Charitable / Educational / Health Institutions  
Non-Profit Organisations  
Individuals from all socio-economic strata

**ISO 9001 : 2015**

## NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting (AGM) of the Members of SKP Securities Limited (CIN: L74140WB1990PLC049032) will be held at Merchants' Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata – 700 001 on Saturday, the 27th day of July, 2019, at 10:15 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2019, together with the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To appoint a Director in place of Mrs. Manju Pachisia (DIN: 00233821), Non-Executive / Non-Independent Director, who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

#### 3. **Appointment of Mr. Saurabh Sonthalia as a Non-Executive Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161(1) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactments thereof for the time being in force) and the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Saurabh Sonthalia (DIN No: 01355617) who was appointed as an Additional Independent Director of the Company with effect from 10th November 2018 to hold office upto the date of this AGM and who has submitted a declaration that he meets the criteria of Independence and is eligible for appointment, be and is hereby appointed as Non Executive Independent Director of the Company, not liable to retire by rotation for a first term of five consecutive years to hold office from the conclusion of ensuing AGM and up to the conclusion of the 34th AGM of the Company to be held in the Calendar Year 2024.”

#### 4. **Re-appointment of Mr. Ravi Todi as a Non Executive Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactments thereof for the time being in force) and the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Ravi Todi (DIN No: 00080388) whose present term of office as a Non Executive Independent Director ends at the conclusion of ensuing AGM of the Company, and who has submitted a declaration that he meets the criteria of Independence and is eligible for re-appointment, be and is hereby re-appointed as Non Executive Independent Director of the Company, not

liable to retire by rotation for a second term of five consecutive years to hold office from the conclusion of ensuing AGM and up to the conclusion of the 34th AGM of the Company to be held in the Calendar Year 2024.”

**Note:**

*M/s. G.P. Agrawal & Co., (FRN No: 302082E) Chartered Accountants, Kolkata, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 27th AGM held on 29th July 2017, to hold office from the conclusion of the said meeting till the conclusion of the 32nd AGM of the Company to be held in the calendar year 2022. The requirement for the annual ratification of Auditors appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May 2018. The Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought.*

By Order of the Board  
For **SKP Securities Limited**

**Date: 27th April 2019**

**SKP Securities Limited**

CIN: L74140WB1990PLC049032

Chatterjee International Centre, Level-21

33A, Jawaharlal Nehru Road

Kolkata – 700 071

Email : [cs@skpsecurities.com](mailto:cs@skpsecurities.com)

Website: [www.skpsecurities.com](http://www.skpsecurities.com)

**Alka Khetawat**

Company Secretary

ACS:47322

**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person will not act as a proxy for any other Member.

The instrument appointing a proxy should be deposited at the Registered Office of the Company, duly completed and signed, not later than forty eight (48) hours before the commencement of the meeting. A proxy form for AGM is enclosed.

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of Special Business under item no. 3 and 4 of the accompanying Notice is annexed hereto.
3. Corporate Members intending to send their authorized representative(s) to attend the meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
4. Members/Proxies/Authorized Representatives are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID/Client ID /Folio No.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 20th day of July 2019 to Saturday, the 27th day of July 2019 (both days inclusive).
7. A statement giving the relevant details of the Directors seeking appointment/re-appointment under item no. 2 to 4 of the accompanying Notice, as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") is annexed herewith.
8. Pursuant to the provisions of Section 124 and 125 of the Act, the Company has transferred the unclaimed dividends up to the Financial Year 2010-2011 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of IEPF, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 28th July 2018 (last date of AGM) at the website of the Company i.e [www.skpsecurities.com](http://www.skpsecurities.com).

Further, pursuant to the provisions of Section 124(6) of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more will be transferred to the demat account of IEPF Authority. Members whose shares, unclaimed dividend, etc have been transferred to the IEPF Authority, may claim their shares or apply for refund of unclaimed dividend by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) as per the procedure prescribed in the IEPF Rules.

9. Members holding shares in a single name and physical form are advised to make nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make nomination through their Depository Participants.

10. SEBI has mandated the submission of PAN by every participant in Securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent (RTA).
11. Members holding shares in physical form are requested to notify/send to the Company's RTA immediately, details of any change in their address/mandate/bank details. Members who hold shares in dematerialized form are requested to inform any change in their address/mandate/bank details to their respective depository participants.
12. Members desiring any information about the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
13. Members may also note that Notice of the AGM will also be available at the Company's website [www.skpsecurities.com](http://www.skpsecurities.com) and at the Central Depository Services (India) Limited (CDSL) website [www.evotingindia.com](http://www.evotingindia.com). Relevant documents referred in the accompanying Notice and in the Statements are available for inspection by the Members at the Company's Registered Office between 11:00 A.M. to 1:00 P.M. on all working days except Saturdays, till the conclusion of the ensuing AGM.
14. The route map showing direction to reach the venue of the AGM is enclosed for the convenience of Members.

## **15. E-VOTING**

- a) In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-voting facility to all its members to enable them to cast their vote electronically. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its members.
- b) The facility for voting through ballot paper will also be made available at the AGM and the members attending the meeting who have not cast their vote through e-voting will be able to exercise their right at the meeting through ballot paper. Members who have cast their vote by e-voting prior to the AGM may also attend the meeting but will not be entitled to cast their vote again.
- c) Mr. Atul Kumar Labh, Practicing Company Secretary (FCS: 4848, CP: 3238) of A. K. Labh & Co., Company Secretaries, Kolkata, has been appointed as the Scrutinizer to scrutinise the voting and e-voting process in a fair and transparent manner.
- d) The Chairman will at the AGM, at the end of the discussion on the resolution on which voting is to be held, allow voting with the assistance of scrutinizer by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- e) The Scrutinizer will submit his report to the Chairman or a person duly authorized by him in writing, who will countersign the same and declare the results of voting.
- f) The results declared along with the Scrutinizers Report, will be uploaded at the Company's website i.e [www.skpsecurities.com](http://www.skpsecurities.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him. The result will also be immediately forwarded to the BSE Limited where the shares of the Company are listed.

**g) A. Instructions for shareholders voting electronically are as under:**

- i. The Voting Period begins on 24th July 2019 (9:00 A.M.) and ends on 26th July 2019 (5:00 P.M.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of 19th July 2019, may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter.
- ii. Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders/Members.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user, please follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Please enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field
	In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login
OR	
Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now

reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of "SKP Securities Limited" on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.

evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**B. In case of Members receiving the physical copy:**

- i. Please follow all steps above to cast vote.
- ii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board  
For **SKP Securities Limited**

Date: 27th April 2019

**SKP Securities Limited**  
CIN: L74140WB1990PLC049032  
Chatterjee International Centre, Level-21  
33A, Jawaharlal Nehru Road  
Kolkata – 700 071  
Email : [cs@skpsecurities.com](mailto:cs@skpsecurities.com)  
Website: [www.skpsecurities.com](http://www.skpsecurities.com)

**Alka Khetawat**  
Company Secretary  
ACS:47322

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE  
COMPANIES ACT, 2013**

**Item No. 3**

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Saurabh Sonthalia (DIN: 01355617) as an Additional Independent Director of the Company with effect from 10th November 2018, from whom declarations stating that he meets criteria of Independence as prescribed under Section 149(6) of the Act and under Regulation 16(b) of SEBI (LODR) Regulations, 2015 has been received by the Company. He is also not disqualified from being appointed as a Director and has given his consent to act as a Director. In accordance with the provisions of Section 161(1) and other applicable provisions of the Act, Mr. Saurabh Sonthalia would hold the office up to the conclusion of ensuing AGM.

Mr. Sonthalia is a Chartered Accountant and PGDM (IIM-A), carrying 25 years’ experience and strong relationships in Indian Financial Markets with a deep understanding of Indian economy, financial markets, asset management, investment banking and private equity investing in real estate and hospitality sectors, having played a leadership role in globally renowned entities.

In the opinion of the Board, Mr Sonthalia fulfils the conditions for his appointment as an Independent Director as specified in the Act and SEBI (LODR) Regulations, 2015. Considering the vast experience and knowledge, it will be in the interest of the Company that Mr. Sonthalia be

appointed as an Independent Director of the Company for a first term of five consecutive years, not liable to retire by rotation as provided under Section 152(6) of the Act.

Save and except Mr. Sonthalia, none of the other Directors/Key Managerial Personnel of the Company are in any way concerned or interested financially or otherwise, in the resolution set out at item no. 3 of the Notice.

The Board recommends the passing of Ordinary Resolution as set out at item no 3 of the Notice for approval by the Members.

#### **Item No. 4**

As per the provisions of Section 149, 152 & Schedule IV of the Act read with the relevant rules made there under, the Company had appointed Mr. Ravi Todi (DIN: 00080388) as an Independent Director at the 24th AGM of the Company held on 27th September 2014 for a first term of five consecutive years and his term ends at the conclusion of ensuing AGM. The Board of Directors on the recommendation of the Nomination and Remuneration Committee had re-appointed Mr. Ravi Todi as an Independent Director of the Company, subject to the approval of shareholders, for a second term of five consecutive years effective from conclusion of 29th AGM up to the conclusion of 34th AGM to be held during the Calendar year 2024, from whom declarations stating that he meets criteria of Independence as prescribed under Section 149(6) of the Act and under Regulation 16(b) of SEBI (LODR) Regulations, 2015 has been received by the Company. He is also not disqualified from being appointed as a Director and has given his consent to act as a Director, not liable to retire by rotation as provided under Section 152(6) of the Act.

Mr. Todi is a Commerce Graduate and a well-networked entrepreneur with vast experience, having interest in agricultural equipment, EPC and real estate, he has held/holds leadership positions in leading business associations.

In the opinion of the Board, Mr Todi fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and SEBI (LODR) Regulations, 2015. Considering the vast experience and knowledge, it will be in the interest of the Company that Mr. Todi is re-appointed as an Independent Director of the Company.

Save and except Mr. Todi, none of the other Directors/Key Managerial Personnel of the Company are in any way concerned or interested financially or otherwise, in the resolution set out at item no. 4 of the notice.

The Board recommends the passing of Special Resolution as set out at item no 4 of the Notice for approval by the Members.

### **ANNEXURE TO THE NOTICE**

#### **Details of Directors seeking appointment/re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations, 2015**

<b>Particulars</b>	<b>Mrs. Manju Pachisia</b>	<b>Mr. Saurabh Sonthalia</b>	<b>Mr. Ravi Todi</b>
Status of Directorship	Non-Executive / Non-Independent Director	Additional Independent Director	Non- Executive Independent Director
Director Identification Number (DIN)	00233821	01355617	00080388
Date of Birth	14.09.1965	19.12.1965	01.05.1969
Date of appointment	01.08.2014	10.11.2018	29.10.2011

Qualification	Associate Financial Planner (AFP), IRDA Certified Insurance Advisor, holds Certificate in Psychological Counseling	B.Com, Chartered Accountant, PGDM (IIM-A)	B.Com
Expertise in specific functional areas	A practicing psychological counsellor, she has a long experience in financial markets as a part of the Promoter Group of SKP	25 years' experience and strong relationships in Indian Financial Markets with a deep understanding of Indian economy, asset management, investment banking, private equity investing in real estate and hospitality sectors	Co-promoter of Shrachi Group having interest in agricultural equipment, EPC and real estate, he holds leadership positions in leading business associations and carries 28 years experience as a well networked entrepreneur
Directorship in other companies as on 31.03.2019	Nil	<ul style="list-style-type: none"> <li>• Sonthalia Advisory Pvt. Ltd.</li> <li>• Iprism Infotech Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• South City Projects (Kolkata) Ltd.</li> <li>• Liberty Pharma Ltd.</li> <li>• Accent Industries Ltd.</li> <li>• Sunflower Engineering Industries Pvt. Ltd.</li> <li>• Shrachi Burdwan Developers Pvt. Ltd.</li> <li>• Rosedale Developers Pvt. Ltd.</li> <li>• BTL EPC Ltd.</li> <li>• Juhi Investment Pvt. Ltd.</li> <li>• Bengal Shrachi Housing Development Ltd.</li> </ul>
Chairman / Member of Committee	Member – 1 Chairman - Nil	Member - Nil Chairman - Nil	Member - 2 Chairman - 1
Number of shares held in the company as on 31.03.2019	3,00,000	Nil	Nil
No. of the Board Meetings attended during the year	4	2*	4
Relationship with other Board Members or KMP	Related to Mr. Naresh Pachisia and Mr. Nikunj Pachisia.	Not related to any Board Member or KMP	Not related to any Board Member or KMP

\* Appointed w.e.f. 10th November, 2018

# REPORT OF THE BOARD OF DIRECTORS

## To The Members,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of SKP Securities Limited for the Financial Year ended 31st March 2019.

## FINANCIAL HIGHLIGHTS

(In ₹ Laacs)

Particulars	Consolidated		Standalone	
	2019	2018	2019	2018
Revenue from Operations and other Income	1206.47	1756.39	1201.03	1822.22
Total Expenses	961.77	1080.85	958.12	1033.26
Profit Before Tax	244.70	675.54	242.91	788.96
Tax Expenses	60.27	165.13	59.80	164.94
Profit attributable to the owners of Company	184.43	510.41	183.11	624.02
Other Comprehensive Income	(2.52)	(1.95)	(2.52)	(1.95)
Total Comprehensive Income	181.91	508.46	180.59	622.07
Retained Earnings : Opening Balance	1814.60	1814.54	1812.97	1699.29
Less : Used for Buyback of Shares	—	(498.39)	—	(498.39)
Less : Transfer to General Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Retained Earnings : Closing Balance	1986.51	1814.60	1983.56	1812.97

## PERFORMANCE HIGHLIGHTS

Financial Year 2019 witnessed significant structural changes in financial markets and regulations, which had a game changing impact on the businesses that your company is engaged in, causing significant short term pains.

Regulatory categorization of mutual fund schemes forced fund managers to reshuffle fund portfolios to align them with the prescribed category in a time bound manner. This led to a severe meltdown in mid and small cap stocks, whereas the frontline indices remained high due to a mid year rally in a handful of frontline stocks. Debt markets witnessed a series of crisis, unprecedented in nature and quantum, primarily caused by the IL&FS crisis, leading to issues related to NBFC/HFC and leverage against promoter holdings. The resultant liquidity shortage, which was already weak, added fuel to the fire. By the end of the financial year, inflow of global liquidity led to frontline indices scaling new highs, again led by a handful of stocks, while a few mid and small cap stocks also recovered a bit. Growth in corporate earnings remained elusive. Uncertainties have also been caused by slowdown in global and domestic economy, a simmering global trade war and the on going General Elections 2019.

Such uncertain situation in equity markets, almost irrational, kept equity investors at bay. Most equity mutual funds underperformed leading to diminishing investors confidence. In fact, there was a crisis of confidence for debt fund investors, which witnessed a flight to safety. All this led to lower business volumes for your Company, in both, its Broking and Distribution Services. Income from Distribution Services was further impacted by the complete discontinuation of Upfront Fees and move to Trail Fees only, for the first time in the history of Indian Mutual Fund industry. In this backdrop, your Directors express satisfaction on the company's performance.

## **SHARE BUY BACK, DIVIDEND AND RESERVES**

With an objective to return non-operational surplus cash available with the Company to Shareholders and improve performance ratios like Return on Equity, Earnings per Share, etc. the Board of Directors at their meeting held on 27th April 2019, recommended Buy-Back of upto 9,95,000 equity shares of ₹ 10/- each fully paid up, representing 22.62% of the total number of equity shares in the paid up equity capital of the Company from all existing shareholders/beneficial owners of the Company on a proportionate basis through Tender Offer Route at a price of ₹ 70/- per share payable in cash for an aggregate consideration of ₹ 6,96,50,000/- not exceeding 25% of the fully paid up equity capital and free reserves of the Company as on 31st March 2019, subject to receipt of necessary regulatory and shareholders' approval in compliance with SEBI (Buy-Back of Securities) Regulations, 2018.

In view of this, your Directors do not recommend any dividend for the Financial Year 2018-2019 and propose to transfer a sum of ₹ 10 Lacs to General Reserve.

## **FUTURE OUTLOOK**

The challenges mentioned above, may have a moderating impact on the company's business for the short term. Mid year discontinuation of upfront fees from mutual funds will have a full year impact on Company's performance during the ensuing year. Expense Ratio rationalization in mutual funds introduced by the regulators in the new Financial Year, will further reduce income from Distribution Services. Till such time uncertainties continue to surround financial markets, your Directors continue to remain cautiously optimistic for the company's performance in the short term, although quite confident over the medium and long term. Your company has recently received SEBI's registrations for Merchant Banking Services and Portfolio Management Services and plan to commence these services during FY20. These strategic diversifications, which are synergetic to company's current business, are likely to take your company to greater heights.

## **STATE OF THE COMPANY'S AFFAIRS**

Detailed information on the operations of the Company, business environment and future expectations are provided in the Management Discussion and Analysis Report, in compliance with Regulations 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, which is annexed and marked as **Annexure A** to this report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company and its subsidiary for the financial year ended 31st March 2019, have been prepared in accordance with Section 129(3) of the Companies Act, 2013 ('the Act'). Further, a statement containing salient features of the financial statements of the Subsidiary Company in the prescribed format AOC-1 is annexed and marked as **Annexure B** to this Report.

In accordance with section 136 of the Act, the Audited Financial Statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiary Company, are available on Company's website [www.skpsecurities.com](http://www.skpsecurities.com). These documents will also be available for inspection till the date of the AGM during business hours at our Registered Office.

## **SUBSIDIARIES, JOINT VENTURES & ASSOCIATES**

Your Company has one wholly owned subsidiary viz. SKP Insurance Advisors Private Limited. With low levels of operations, primarily in the field of insurance advisory, it has earned profits during the year under review.

Further, your Company does not have any Joint Venture and Associate Company.

## **CORPORATE GOVERNANCE**

Your Company believes in transparent and ethical corporate governance practices. The Company has taken requisite steps to comply with recommendations concerning Corporate Governance.

Detailed report on the Corporate Governance together with Auditors Certificate regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015, forms an integral part of this Report which is annexed and marked as **Annexure C** to this Report.

## **DIRECTORS**

**Mr. Santanu Ray** was appointed as an Additional Independent Director of the Company by the Board of Directors at their meeting held on 5th May 2018 and his appointment was regularized as Non Executive Independent Director at the last AGM held on 28th July 2018.

**Mr. Saurabh Sonthalia** who qualifies to be an Independent Director, on recommendation of the Nomination and Remuneration Committee and after obtaining regulatory approvals, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 10th November 2018 to hold office up to the conclusion of the ensuing AGM. He possess appropriate skills, experience and knowledge inter alia in Financial Markets. Accordingly, it is proposed to appoint Mr. Sonthalia as an Non Executive Independent Director for a first term of five consecutive years to hold office from the conclusion of 29th AGM up to the conclusion of 34th AGM to be held in the calendar year 2024, subject to approval of shareholders at the ensuing AGM.

**Mr. Ravi Todi** was appointed as an Non Executive Independent Director at the 24th AGM of the Company held on 27th September 2014 for a first term of five consecutive years whose term ends at the conclusion of ensuing AGM of the Company. On recommendation of Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Ravi Todi as an Non Executive Independent Director for a second term of five consecutive years effective from conclusion of 29th AGM up to the conclusion of 34th AGM to be held in the calendar year 2024, subject to approval of shareholders at the ensuing AGM.

**Mrs. Manju Pachisia** who is a Non-Executive/Non-Independent Director of the Company will retire by rotation at the ensuing AGM of the Company in accordance with the provisions of Section 152(6) of the Act, being eligible offers herself for reappointment. The Board recommends her reappointment.

**Mr. Kishore Bhimani** who is a Non-Executive Independent Director of the Company, whose term ends at the conclusion of ensuing AGM of the Company has intimated his intention to retire from the Board of Directors and all its Committees at the ensuing AGM after serving the Board for a period of about 14 years. Your Directors wish to place on record their appreciation for his service and contribution made during his tenure as a Director of the Company.

## **KEY MANAGERIAL PERSONNEL**

During the year there were no changes in Key Managerial Personnel.

## **NOMINATION AND REMUNERATION POLICY**

Based on the recommendation of the Nomination and Remuneration Committee, revised Nomination & Remuneration Policy and Code of Conduct for Board Members and Senior Management Personnel were adopted by the Board of Directors at their meeting held on 2nd February 2019, and the same is also available on the Company website [www.skpsecurities.com](http://www.skpsecurities.com).

## **INDEPENDENT DIRECTOR'S DECLARATION**

The Company has received requisite declarations from all Independent Directors, in accordance with the provisions of section 149(7) of the Act, stating that they meet the criteria of independence as laid down in Section 149(6) of the Act and Regulation 25 of SEBI (LODR) Regulations, 2015.

In accordance with the provisions of the Act, none of the Non-Executive Independent Directors are liable to retire by rotation.

## **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

Your Company conducts a Familiarization Program when new Director(s) is/are appointed during the year. The program aims to provide insights into the Company to enable Independent Directors to understand its business and processes in depth and to assist them in performing their role as Independent Director of the Company. Details of Familiarization Program for Independent Directors are provided in the Corporate Governance Report and are also available on the Company's website [www.skpsecurities.com](http://www.skpsecurities.com).

## **BOARD EVALUATION**

Your Company has laid down the process and criteria for Annual Performance Evaluation of the Board, its Committee and Individual Directors. In terms of the provisions of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors carried out evaluation process of its own performance, its various committees and individual Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning. The criteria applied in the evaluation process are explained in the Corporate Governance Report.

The Independent Directors met on 10th November 2018 and reviewed the performance of the Board, its Committees and Individual Directors.

## **BOARD & COMMITTEE MEETINGS**

During the year under review, the Board met four times on 5th May 2018, 28th July 2018, 10th November 2018 and 2nd February 2019. The intervening gap between the meetings was within the period prescribed under the Act.

At present, the Board of Directors has the following four committees:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee
- iv) Corporate Social Responsibility Committee

The details of composition of the Board, its various Committees, brief terms of reference, meetings held and attendance of the Directors are provided in the Corporate Governance Report.

## **AUDITORS' AND AUDIT REPORT**

### **Statutory Auditor**

M/s. G.P. Agrawal & Co., (FRN No: 302082E) Chartered Accountants, Kolkata, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 27th Annual General Meeting held on 29th July 2017, to hold office from the conclusion of the said meeting till the conclusion of the 32nd Annual General Meeting of the Company to be held in the Calendar Year 2022. The requirement for the annual ratification of Auditors appointment at the AGM has been omitted pursuant to Companies (Amendment) Act 2017 notified on 7th May 2018.

The Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor.

The Auditors Report for the Financial Year ended 31st March 2019 does not contain any qualification, reservation or adverse remark. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditors Report is enclosed with the financial statements in this Report.

## Secretarial Auditor

Mr. Anil Murarka, Practicing Company Secretary (FCS: 3150, CP No: 1857) Proprietor of M/s. A. Murarka & Co., Kolkata, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2018-19, pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (LODR) Regulations, 2015. The Secretarial Audit Report is annexed and marked as **Annexure D**. The said report does not contain any observation or qualification or adverse remark requiring explanation.

## EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is annexed and marked as **Annexure E** to this report. Further, the Annual Return would be placed on the website of the Company and can be accessed at [www.skpsecurities.com](http://www.skpsecurities.com).

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company had constituted a CSR Committee in compliance with Section 135 of the Act. On the recommendation of the CSR Committee, the Board has approved the CSR Policy of the Company and the web link for the same is <http://www.skpsecurities.com/index.php/investor/policies>. The annual report on CSR activities is annexed and marked as **Annexure F** to this report.

## RELATED PARTY TRANSACTIONS

All transactions entered into with related parties during the year was in ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Act and SEBI (LODR) Regulations, 2015, details of which are provided in notes to financial statements which forms an integral part of this Report.

All new related party transactions are first placed before the Audit Committee and thereafter placed before the Board for their consideration and approval. A prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are of foreseen and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 in Form AOC-2 is not applicable for the Financial Year 2018-19. The revised Policy on Related Party Transaction was adopted by the Board of Directors at its meeting held on 2nd February 2019 and the same is hosted on the website of the Company [www.skpsecurities.com](http://www.skpsecurities.com).

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company did not provide any Loans or Guarantees in terms of provisions of Section 186 of the Act. The details of Investments made are provided in Notes to the Financial Statements which forms an integral part of this Annual Report.

## PARTICULARS OF EMPLOYEES

Information sought under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and marked as **Annexure G** to this Report.

## RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company has implemented an integrated Risk Management framework through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically

reviews this risk management framework to keep updated and address emerging challenges. In the opinion of the Board at present there are no risks which threaten the existence of the Company.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has a well established Whistle Blower Policy as part of vigil mechanism for Directors and Employees to report their genuine concerns in compliance with provisions of Section 177(10) of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015. This mechanism also provides for adequate safeguards against victimization of Directors, Employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

During the year under review, none of the Directors/Employees were denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The web link of the said Policy is <http://www.skpsecurities.com/index.php/investor/policies>.

#### **DISCLOSURE IN TERMS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

All women who are associated with the Company either as permanent or temporary employees or contractual or trainees etc are covered under the above policy. Your Company has zero tolerance towards sexual harassment at workplace. No complaints relating to sexual harassment were received during the year.

#### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF after completion of seven years. Further, the shares on which the dividend had remained unpaid or unclaimed by the shareholders for seven consecutive years or more are also be transferred to the demat account of the IEPF Authority.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations to ensure proper recording of financial and operational information and compliances of various internal controls and other regulatory and statutory compliances. During the year under review, no material or serious observation has been reviewed from the Internal Auditor of the Company for inefficiency or inadequacy of such controls.

Audit Committee in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. Based on the Internal Audit Report corrective actions in the respective area are undertaken and controls are strengthened.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information sought under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed and marked as **Annexure H** to this Report.

#### **POLICIES**

The details of the policies approved and adopted by the Board are annexed and marked as **Annexure I** to this report.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have 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 at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## GENERAL DISCLOSURES

Your Company complies with all the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No equity shares with differential rights as to dividend, voting or otherwise, or shares (including sweat equity shares) to employees of the Company under any scheme were issued.
2. No Deposits covered under Chapter V of the Act, were accepted.
3. Neither the Managing Director nor Whole-time Director of the Company received any remuneration or commission from its subsidiary.
4. No significant or material orders were passed by any regulatory authority or courts or tribunals impacting the going concern status and Company's operation in future.
5. Except the approval of Buy-Back by the Board of Directors, no other material changes and commitments have occurred after the close of financial year till date of this Report which affects the financial position of the Company.

## GRATITUDE & ACKNOWLEDGEMENT

Your Directors expresses its deep gratitude to 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.

For and on behalf of the Board

### **Registered Office:**

Chatterjee International Centre  
Level-21, 33A, Jawaharlal Nehru Road  
Kolkata – 700 071

Date: 27th April 2019

**Naresh Pachisia**  
*Managing Director*  
DIN: 00233768

**Nikunj Pachisia**  
*Whole-time Director*  
DIN: 06933720

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Your Company is primarily engaged in stock broking and distribution of financial products. Both are facing competitive, taxation and regulatory headwinds. Mutual fund distribution industry is facing game changing structural changes.

### **OPPORTUNITIES AND THREATS**

A growing economy leading to higher investible surplus with families and under penetration of company's services, provide business opportunities for the Company in its existing services and for it to move into more value added services like Portfolio Management. Its research coverage of corporates on one hand and dealing with institutional investors on the other is also creating an opportunity to render corporate advisory and investment banking services. Large broking and distribution houses promoted by financial conglomerates from India and abroad, generally having their proprietary products to offer to customers, pose a threat to the Company, alongwith game changing structural and regulatory changes in the industry.

### **BUSINESS REVIEW**

Your Company has witnessed a satisfactory growth and overall improvement in performance over the years, although it was quite lackluster during FY19 as compared to previous year. Your company is re-engineering its business strategy as required, and making strategic related diversifications to meet the emerging challenges and perform better, going forward.

### **RISK AND CONCERNS**

Efforts are being continuously made to make the Company withstand and grow within the highly competitive environment. Superior risk management measures have been put in place to reduce risk in broking business. Prudent asset allocation and selection of investment avenues dilutes risks in proprietary investments. A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks are also in place.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

### **FINANCIAL PERFORMANCE**

A snapshot of financial performance is furnished in Report of Board of Directors.

### **FUTURE OUTLOOK**

Uncertainties about global macro economic conditions and prospects of a trade war coupled with a lackluster domestic economic growth, business environment and corporate earnings are providing headwinds to equity markets. A dovish stance of central bankers globally and in India to meet the slow down will give the much required liquidity push, providing the tail winds to both, equity and bond markets, already leading to expansion of frontline equity valuation. This makes short term outlook for the markets and your company's business quite moderate. However, medium and long

term prospects of the markets remain quite positive with the expected revival in corporate earnings growth. Given the continued economic growth, increased financialisation of savings coupled with increased penetration and strategic diversification initiatives in related areas by your company, its future outlook is quite positive.

## **HUMAN RESOURCE MANAGEMENT**

We are committed to make SKP a preferred place to work with a career growth oriented professional environment and a sense of ownership. As at 31st March 2019, the Company had 42 employees.

## **PREVENTION OF SEXUAL HARASSMENT**

As a good corporate citizen, SKP is committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at workplace and institute good employment practices.

SKP maintains an open door for reportees and encourages employees to report any harassment or other unwelcome and offensive conduct. The Company has a policy for prevention, prohibition and redressal of complaints / grievances on the Sexual harassment of women at work place. This policy is communicated to all employees in an appropriate and meaningful manner.

**Details of significant changes (i.e change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:**

- i) **Interest Coverage Ratio:** Interest coverage ratio has come down from 30.13% in 2017-18 to 8.76% in 2018-19 mainly because of decrease in Earnings before Interest & Taxes (EBIT). An interest coverage ratio of 2 is considered as acceptable in case of company earning consistent profit and since your company has never incurred losses, ratio of 8.76 can be considered good. Further, your Directors are pleased to inform you that total indebtedness of the Company has reduced from ₹ 364.28 lacs in 2017-18 to ₹ 38.09 Lacs in 2018-19 indicating that there will be lower interest to service in the coming financial year.
- ii) **Debt Equity Ratio:** Debt Equity Ratio has decreased from 34.88% in 2017-18 to 14.40% in 2018-19 indicating the reduction in Debt as compared to Equity and better ability of the Company to service the Debt from Shareholders' Fund which is a positive indicator.
- iii) **Operating Profit Margin (%) & Net Profit Margin (%):** The Operating Profit Margin (%) and Net Profit Margin (%) have come down by around 50% mainly because of decrease in revenue. The Company is engaged in providing Financial & Advisory services and a major portion of its expenses are fixed expenses. Since the revenue has come down because of reasons mentioned earlier in this report and major portion of cost is fixed, both Operating Profit Margin & Net Profit Margin have gone down as compared to previous year.
- iv) **Return on Net worth:** Return on Net worth has decreased from 22.91% to 6.31% mainly because of the decrease in revenue though cost was kept under control.

**For and on behalf of the Board**

Place: Kolkata  
Date : 27th April 2019

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**Annexure B**

**Form AOC-1**

**Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures**

*[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]*

(₹ in Lacs)

Name of the Subsidiary	Date since when subsidiary was acquired	Financial period ended	Share Capital	Reserves & Surplus	Total Assets	Total liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of share holding
SKP Insurance Advisors Pvt. Ltd.	30.09.2014	31.03.2019	2.00	14.09	16.71	0.62	—	14.82	1.78	0.46	1.32	100

- Notes:** 1) The Reporting period for Subsidiary Company is same as that of Holding Company's reporting period.
- 2) No Dividend has been proposed by the Subsidiary.
- 3) Reporting Currency is Indian Rupee, there is no Foreign Subsidiary and Foreign Exchange Rate is not applicable.

For and on behalf of the Board

Place: Kolkata  
Date : 27th April 2019

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN:06933720

## Annexure C

### CORPORATE GOVERNANCE REPORT

*(Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended)*

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to good Corporate Governance practices with the object of increasing benefits for all stakeholders of the Company viz. Shareholders, Customers, Suppliers, Employees and Society on four key elements – transparency, fairness, disclosure and accountability.

#### BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is presently governed by the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended. Your Company believes that a well informed and Independent Board is necessary to ensure highest level of Corporate Governance. The Board is comprised of eight Directors, both Executive and Non-Executive, with 75% of the Board of Directors comprising of Non-Executive Directors.

The Board of Directors of the Company consists of persons of eminence, having good experience in Financial Markets, Corporate Finance, Corporate Law etc. Brief profiles of all Directors are available on the Company's website [www.skpsecurities.com](http://www.skpsecurities.com). During the year under review, four meetings of the Board of Directors were held on 5th May 2018, 28th July 2018, 10th November 2018 and 2nd February 2019. The interval between any two consecutive meetings was within the maximum prescribed limit of 120 days.

#### Details of directorship held by the Company's Directors as on 31st March 2019:

Name of Director	DIN No.	Designation/Category of Directorship	No. of other Directorship held	No. of Committee positions *	
				Chairman	Member
Naresh Pachisia	00233768	Promoter, Managing Director	5	Nil	4
Nikunj Pachisia	06933720	Promoter, Whole-time Director	2	Nil	Nil
Manju Pachisia	00233821	Promoter, Non-Executive	Nil	Nil	Nil
Kishore Bhimani	00013617	Independent, Non-Executive	Nil	1	Nil
Ravi Todi	00080388	Independent, Non-Executive	9	Nil	2
Paritosh Sinha	00963537	Independent, Non-Executive	11	Nil	Nil
Santanu Ray**	00642736	Independent, Non-Executive	7	2	3
Saurabh Sonthalia***	01355617	Independent, Non-Executive	2	Nil	Nil

\* For the purpose of these only Membership and Chairmanship of Audit Committee and Stakeholders' Relationship Committee have been considered.

\*\* Mr. Santanu Ray was appointed w.e.f 5th May 2018.

\*\*\* Mr. Saurabh Sonthalia was appointed w.e.f 10th November 2018.

\*\*\*\* Mr. Naresh Pachisia, Mr. Nikunj Pachisia, Mrs. Manju Pachisia are related to each other.

**Attendance of Directors at Board Meetings and at last Annual General Meeting:**

Name of Director	Number of Board Meeting held during the year	Number of Board Meetings attended	Attendance at last AGM
Naresh Pachisia	4	4	Yes
Nikunj Pachisia	4	4	Yes
Manju Pachisia	4	4	Yes
Kishore Bhimani	4	4	Yes
Ravi Todi	4	4	Yes
Paritosh Sinha	4	4	Yes
Santanu Ray	4	4	Yes
Saurabh Sonthalia	4	2*	No*

\* Mr. Saurabh Sonthalia was appointed w.e.f 10th November 2018

**The details of Directorship on the Board of Other Listed entities :**

Sl. No	Name of Person	Sl. No	Name of the listed entities where the person is a director	Category of Directorship
1	Naresh Pachisia	1	Linc Pen & Plastics Ltd.	Independent Director
		2	Gillanders Arbuthnot & Co. Ltd.	Independent Director
2	Nikunj Pachisia		–	–
3	Manju Pachisia		–	–
4	Kishore Bhimani		–	–
5	Ravi Todi		–	–
6	Paritosh Sinha		–	–
7	Santanu Ray	1	Century Plyboards (India) Ltd.	Independent Director
		2	La Opala R G Limited	Independent Director
		3	Star Cement Limited	Independent Director
		4	Shyam Century Ferrous Limited	Independent Director
8	Saurabh Sonthalia		–	–

**Skills/Expertise/Competencies of the Board Members**

In its strategic endeavor to benefit from members on the Board, Board of Directors of SKP considers skills, expertise, competencies, experience and leadership of potential Board members, primarily in the following and related areas:

- Financial Markets
- Corporate Finance
- Corporate Law/Governance
- Entrepreneurship/Business Management

The following chart reflects the broad areas in which skills, expertise, competencies and/or experience are currently available with the Board of Directors of the company. However, the

absence of marked against the member name does not necessarily mean that the member does not possess corresponding qualification or skill.

Name of Director	Category	Financial Market	Corporate Finance	Corporate Law / Governance	Entrepreneurship / Business Management
Naresh Pachisia	Managing Director	✓	✓	✓	✓
Nikunj Pachisia	Whole-time Director	✓	✓	✓	✓
Manju Pachisia	Non-Executive Director	✓		✓	
Kishore Bhimani	Independent Director	✓	✓	✓	
Ravi Todi	Independent Director	✓	✓	✓	✓
Paritosh Sinha	Independent Director			✓	✓
Santanu Ray	Independent Director	✓	✓	✓	✓
Saurabh Sonthalia	Additional Independent Director	✓	✓	✓	✓

### Confirmation

In the opinion of the Board the Independent Directors fulfills the conditions specified under Regulation of SEBI (LODR) Regulations, 2015 and are independent of the management.

### Details of Shareholding of Directors as on 31st March 2019:

Sl. No	Executive/Non-Executive Directors	No. of Shares	% to Paid up Capital
1	Manju Pachisia	300000	6.82
2	Kishore Bhimani	Nil	—
3	Ravi Todi	Nil	—
4	Paritosh Sinha	Nil	—
5	Santanu Ray	Nil	—
6	Saurabh Sonthalia	Nil	—

Note: Non Executive Directors are not paid any compensation other than sitting fees.

### FAMILIARIZATION PROGRAM

The details of Familiarization Program imparted to Independent Directors can be accessed at the Company's website [www.skpsecurities.com](http://www.skpsecurities.com).

### PERFORMANCE EVALUATION AND INDEPENDENT DIRECTORS MEETING

The evaluation process for the performance of the Board, its various committees and individual directors is carried out in a transparent and confidential manner. A structured questionnaire is prepared and each Director provided their respective feedback on various parameters.

In compliance with the Act and Listing Regulations, a meeting of the Independent Directors of the Company was held on 10th November 2018 without the attendance of Non-Independent Directors

and members of the management. Independent Directors, reviewed the Performance of Non-Independent Directors, Board as a whole and also assessed the quality, quantity and timeliness of flow of information between Company Management and the Board.

**Composition and Attendance of Independent Directors are given below:**

Name of Director	Designation	Number of Meetings held during the year	Number of Meetings attended
Santanu Ray	Chairman	1	1
Kishore Bhimani	Member	1	1
Ravi Todi	Member	1	1
Paritosh Sinha	Member	1	1
Saurabh Sonthalia	Member	1	1

## **CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR EXECUTIVES**

In compliance with the Listing Regulations, your Board has adopted a revised Code of Conduct and Ethics for its Directors and Senior Management Personnel of the Company which is effective from 1st April 2019 and the same can be accessed on the Company's website [www.skpsecurities.com](http://www.skpsecurities.com). The purpose of this code is to promote conduct of business ethically in an efficient and transparent manner.

All Directors and Senior Management Personnel have confirmed compliance with the Code for the Financial Year ended March 31, 2019. A declaration to this effect, duly signed by the Managing Director of the Company is annexed and marked as **Annexure J** to this report.

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In compliance with the Listing Regulations, your Board has adopted a revised Code of Conduct for Prevention of Insider Trading which can be accessed at Company's website [www.skpsecurities.com](http://www.skpsecurities.com). The Code lays down guidelines which includes procedures to be followed and disclosures to be made while dealing with the shares of the Company.

## **BOARD COMMITTEES**

The Company has constituted various Committee(s) in compliance with the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015. The Company Secretary acts as the Secretary to all Committees. The Chairman of each Committee places the recommendation of their respective Committees before the Board.

## **AUDIT COMMITTEE**

The Audit Committee was constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015. During the year under review, four meetings of the Committee were held on 5th May 2018, 28th July 2018, 6th November 2018 and 1st February 2019.

Brief terms of reference of the Audit Committee are as under:

- Review and recommend the Quarterly and Annual Financial Results of the Company;
- Review quarterly reports of the Internal Auditor;
- Review weaknesses in internal controls reported by Internal and Statutory Auditors;
- Review the related party transactions;
- Evaluating the internal financial controls and risk management systems of the Company;
- Review of the Whistle Blower mechanism of the Company
- Any other matter referred to by the Board of Directors.

**Composition and Attendance at Audit Committee Meetings are given below:**

Name of Director	Category	Designation	Number of Meetings held	Number of Meetings attended
Santanu Ray *	Non-Executive, Independent	Chairman	4	4
Ravi Todi**	Non-Executive, Independent	Member	4	4
Kishore Bhimani ***	Non-Executive, Independent	Member	4	1
Naresh Pachisia	Executive Director	Member	4	4

\* Appointed as Member w.e.f 5th May 2018 and Chairman w.e.f. 28th July 2018.

\*\* Stepped down as Chairman w.e.f. 5th May 2018.

\*\*\* Resigned w.e.f. 5th May 2018.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI (LODR) Regulations, 2015. During the year under review, three Meetings of the Committee were held on 5th May 2018, 28th July 2018 and 2nd February 2019.

Brief terms of reference of the Nomination and Remuneration Committee are as under:

- Selecting eligible candidates for Board membership and recommending to the Board;
- Oversight of the Company's nomination process for senior management;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Any other matter referred to by the Board of Directors.

**Composition and Attendance at Nomination and Remuneration Committee Meeting are given below:**

Name of Director	Category	Designation	Number of Meetings held	Number of Meetings attended
Ravi Todi	Non-Executive, Independent	Chairman	3	3
Kishore Bhimani	Non-Executive, Independent	Member	3	3
Paritosh Sinha	Non-Executive, Independent	Member	3	3
Naresh Pachisia	Executive Director	Member	3	3

In accordance with Section 178 of the Act, the Committee has framed a Nomination and Remuneration Policy of the Company which can be accessed at the Company's website [www.skpsecurities.com](http://www.skpsecurities.com)

**Details of Remuneration to the Directors:**

**A. Executive Directors**

Nomination and Remuneration Committee decides the compensation package of the Executive Directors. The Committee ensures that the Compensation package is in accordance with the

applicable laws, in-line with the Company's objective, shareholder's interest, industry standards and have an adequate balance between fixed and variable components.

**Details of remuneration paid to Executive Directors for the year 2018-19: (₹ in Lacs)**

Name of Director	Salary	Commission Paid/Payable	Total	Service Contract period
Naresh Pachisia	50.00	–	50.00	3 Years
Nikunj Pachisia	24.00	–	24.00	3 Years

**B. Non Executive Directors**

Non-Executive Directors are paid sitting fees for each meetings of the Board or its Committees attended by them. Commission, if any is payable out of profits of the Company as approved by the Board of Directors within the limits prescribed under the Act.

**Sitting fees paid during the year for the year 2018-19 are as under: (₹ in Lacs)**

Name of Director	Commission Paid/Payable	Sitting Fees				Total
		Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Independent Directors Meeting	
Kishore Bhimani	Nil	1.00	0.05	0.07	0.05	1.17
Ravi Todi	Nil	1.00	0.20	0.08	0.05	1.33
Manju Pachisia	Nil	1.00	–	–	–	1.00
Paritosh Sinha	Nil	1.00	–	0.08	0.05	1.13
Santanu Ray	Nil	0.75	0.15	–	0.05	0.95
Saurabh Sonthalia	Nil	0.50	–	–	0.05	0.55

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee was constituted in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI (LODR) Regulations, 2015. During the year under review, seven meetings of the Committee were held on 14th June 2018, 1st November 2018, 15th November 2018, 3rd January 2019, 24th January 2019, 7th February 2019 and 14th March 2019.

Brief terms of reference of the Stakeholders Relationship Committee are as under:

- Review the redressal mechanism of grievances of security holders;
- Consider and resolve the investor complaints relating to transfer of shares, non-receipt of duplicate certificate, non-receipt of annual report and non-receipt of declared dividends;
- Review any other matters connected with transfer of securities of the Company

**Composition and Attendance at Stakeholders Relationship Committee Meeting are given below:**

Name of Director	Category	Designation	Number of Meetings held	Number of Meetings attended
Kishore Bhimani	Non-Executive, Independent	Chairman	7	7
Ravi Todi	Non-Executive, Independent	Member	7	7
Naresh Pachisia	Executive Director	Member	7	7

Ms. Alka Khetawat, Company Secretary of the Company is the Compliance Officer as required under Regulation 6 of the SEBI (LODR) Regulations, 2015. With reference to Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has designated exclusive email ID as cs@skpsecurities.com for investors to register their grievances, if any. The Company has displayed the said email ID on its website for the knowledge of investors.

**Details of Shareholders' complaints received and resolved during the year ended 31st March 2019:**

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 at the end of the year	Nil

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee was constituted in compliance with the provisions of Section 135 of the Act. During the year under review, two meetings of the Committee were held on 28th July 2018 and 14th January 2019.

Brief terms of reference of the Corporate Social Responsibility Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the Act;
- Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time
- Any other matter referred to by the Board of Directors.

**Composition and Attendance at Corporate Social Responsibility Committee Meeting are given below:**

Name of Director	Category	Designation	Number of Meetings held	Number of Meetings attended
Kishore Bhimani	Non-Executive, Independent	Chairman	2	2
Manju Pachisia	Non-Executive, Independent	Member	2	2
Naresh Pachisia	Executive Director	Member	2	2

## GENERAL BODY MEETINGS

Location and time of the last three Annual General Meetings held:

Financial Year	Location of the Meeting	Date	Time
2017-18	Merchants' Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata-700001	28.07.2018	10.00 A.M
2016-17		29.07.2017	10.00 A.M
2015-16		30.07.2016	10.00 A.M

### Special Resolution passed in previous three Annual General Meetings:

Financial Year	Special Resolution(s) passed	Details of Special Resolutions passed in the AGM
2017-18	Yes	Re-appointment of Mr. Naresh Pachisia as Managing Director of the Company and fix his Salary
2016-17	Yes	Re-appointment of Mr. Nikunj Pachisia as Whole-time Director of the Company and fix his Salary
2015-16	No	—

### Special Resolution passed last year through Postal Ballot:

During last year, no special resolution was passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot.

## MEANS OF COMMUNICATION

The quarterly, half yearly and annual results of the Company's were published in two newspapers viz. 'Business Standard' and 'Dainik Jugasankha' and are also displayed on Company's website [www.skpsecurities.com](http://www.skpsecurities.com).

## GENERAL SHAREHOLDERS INFORMATION

i.	<b>AGM (Date, Time, Venue)</b>	Saturday, 27th July 2019, 10:15 A.M. Merchant's Chamber of Commerce & Industry 15B, Hemanta Basu Sarani, Kolkata-700001
ii.	<b>Financial Year</b>	1st April 2018 to 31st March 2019
iii.	<b>Dividend Payment Date</b>	N.A.
iv.	<b>Book Closure Date</b>	20th July 2019 to 27th July 2019
v.	<b>Listing on Stock Exchange</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400001
vi.	<b>Listing Fees</b>	Annual Listing Fees for the year 2019-20 has been paid to BSE Ltd.
vii.	<b>Stock Code</b>	531169
viii.	<b>ISIN No.</b>	INE709B01016

**ix. Market Price Data and Performance of BSE Sensex during the year 2018-19 :**

Month	Market Price Data			Performance of BSE Sensex	
	Share Price (Rs)		Number of Shares Traded	Company's Market Price (Close) Per Share (Rs)	Sensex Points (Close)
	High	Low			
April	84.00	59.75	11144	75.00	35160.36
May	83.50	62.00	25032	67.55	35322.38
June	70.00	55.25	8722	61.55	35423.48
July	78.90	55.00	20336	57.75	37606.58
August	65.00	53.55	7597	58.10	38645.07
September	68.50	48.05	7727	58.90	36227.14
October	70.00	48.25	4648	57.00	34442.05
November	57.00	48.60	3249	55.50	36194.30
December	55.50	48.00	2849	48.00	36068.33
January	48.10	44.00	1229	44.00	36256.69
February	44.00	39.85	751	39.85	35867.44
March	50.05	39.10	3501	50.05	38672.91

**x. Registrar & Share Transfer Agent**

M/s. Maheshwari Datamatics Pvt. Ltd.  
CIN: U20221WB1982PTC034886  
23, R.N Mukherjee Road, 5th Floor,  
Kolkata – 700 001  
Phone: (033) 2248-2248/2243-5029  
Fax: (033) 2248-4787  
Email: mdpldc@yahoo.com  
Website: www.mdpl.in

**xi. Share Transfer System**

Company's Share are compulsorily traded in the demat segment on the stock exchange. Transfer in physical 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.

**xii. Distribution of Shareholding as on 31st March 2019:**

Shareholding Range			No. of Shareholders	%age	No of Shares	%age
1	to	500	1138	90.10	1,36,264	3.10
501	to	1000	44	3.48	36,325	0.83
1001	to	2000	27	2.14	39,060	0.89
2001	to	3000	16	1.27	39,285	0.89
3001	to	4000	5	0.40	17,506	0.40
4001	to	5000	4	0.32	18,490	0.42
5001	to	10000	13	1.02	89,638	2.03
10001	to	Above	16	1.27	40,22,832	91.44
<b>Grand Total:</b>			<b>1263</b>	<b>100.00</b>	<b>43,99,400</b>	<b>100.00</b>

**xiii. Shareholding Pattern as on 31st March 2019:**

Category	No. of shares held	% of Shareholding
Indian Promoters	32,99,000	74.99
Foreign Promoters	—	—
Banks, FIs, Insurance Companies	—	—
FIIIs	—	—
Private Corporate Bodies	2,28,285	5.19
Indian Public	8,37,954	19.05
NRIs / OCBs	6,006	0.14
Others	28,155	0.63
Total	43,99,400	100.00

**xiv. Dematerialization of Shares**

Electronic/Physical	Mode of Holding %
CDSL	87.86
NSDL	10.02
Physical	2.12
TOTAL	100.00

**xv. Outstanding GDR/ADRs/Warrants**

Nil

**xvi. Commodity and Foreign Exchange Risk**

The Company does not deal in commodity and also has no international transaction involving foreign currency. Hence it is not exposed to commodity and foreign exchange risk.

**xvii. Address for Correspondence**

SKP Securities Limited  
CIN: L74140WB1990PLC049032  
Chatterjee International Center, Level-21  
33A, Jawaharlal Nehru Road  
Kolkata-700071  
Ph. No: (033) 4007 7000  
Fax: (033) 4007 7007  
Email: [cs@skpsecurities.com](mailto:cs@skpsecurities.com)  
Website: [www.skpsecurities.com](http://www.skpsecurities.com)

xviii. The Company does not have any debt instrument or any fixed deposit program or any scheme or proposal involving mobilization of fund whether in India or Abroad and hence the requirement of obtaining credit rating is not applicable to the Company.

**xix. OTHER DISCLOSURES:**

- There are no materially significantly related party transaction of the Company which have potential conflict of interest of the Company at large.
- Pursuant to Section 177 of the Act and SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct and ethics policy. We affirm that no employee of the Company was denied access to the Audit Committee. The said policy has been hosted on the website of the Company [www.skpsecurities.com](http://www.skpsecurities.com).

- The Company has complied with all the regulations of Stock Exchange, SEBI or other statutory and regulatory authorities on matters related to capital markets and no penalties/ strictures has been passed during the last three years.
- Your Company has complied with all the applicable Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR), Regulations, 2015.
- The Policy for determining Material Subsidiary and Related Party Transactions are available on Company's website [www.skpsecurities.com](http://www.skpsecurities.com)
- Your Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015. The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II of the Listing Regulations:
  - The Internal Auditor reports directly to the Audit Committee
  - The Auditors have provided an unmodified opinion on the financial statements
- Certificate from Mr. Naresh Pachisia, Managing Director and Mr. Anil Shukla, Chief Financial Officer, in terms of Regulations 17 of SEBI (LODR) Regulations, 2015, was placed before the Board of Directors of the Company and the same is annexed and marked as **Annexure K** to this report.
- No funds have been raised/ utilized through preferential allotment or qualified institutional placement as specified under regulation 32(7A).
- Your Company has obtained a certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority, which forms part of this report.
- All the recommendations of the Committees have been accepted by the Board.
- The Company has paid ₹ 1.00 Lacs as Statutory Audit Fee, ₹ 0.30 lacs as Tax Audit Fee and ₹ 0.25 Lacs for other services, to the Statutory Auditors on a consolidated basis.

For and on behalf of the Board

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

Place: Kolkata  
Date: 27th April 2019

## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members

### **SKP Securities Limited**

We, have examined the compliance of conditions of Corporate Governance by SKP Securities Limited ('the Company') for the financial year 31st March 2019, as prescribed under Regulations 17 to 27 and clause (b) to (i) of regulation 46(2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, to the extent applicable to the Company during the year under report.

We, further state that such compliance is neither an assurance as to the future viability of the company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For G. P. Agrawal & Co.**  
*Chartered Accountants*  
F.R. No.302082E

**CA. Rakesh Kumar Singh**  
(Membership No. 066421)  
Partner

Place: Kolkata

Date: 27th April 2019

**Annexure D**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**SKP SECURITIES LIMITED**  
Chatterjee International Centre  
Level 21, 33A, Jawaharlal Nehru Road  
Kolkata – 700 071

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SKP Securities Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under ;
- (iii) The Depositories Act, 1996 and Regulations and Byelaws framed there under;
- (iv) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) During the period under Audit, provisions of the following Regulations and Guidelines were not applicable to the Company:
  - a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;

- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - f) There are no transactions requiring compliance under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) As per information provided by the Management, the following laws are specifically applicable to the Company :
- a) Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992;
  - b) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
  - c) Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
  - d) Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007;
  - e) SEBI (Prohibition of Fraudulent & Unfair Trade Practices relating to Securities Market) Regulations, 2003;
  - f) SEBI (Mutual Funds) Regulations, 1996.

We have also examined the compliance with the applicable clauses of the *Secretarial Standards* issued by The Institute of Company Secretaries of India with respect to Board and General Meetings;

During the Audit Period, the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executives Directors and Independent Directors. During the Audit Period, there has been following changes in the composition of the Board of Directors of the Company:
  - i) Appointment of Mr. Santanu Ray as an Additional Independent Director of the Company w.e.f. 5th May, 2018 by the Board of Directors at their Meeting held on 5th May, 2018 who was subsequently appointed as a Non-Executive Independent Director at the Annual General Meeting held on 28th July, 2018;
  - ii) Appointment of Mr. Saurabh Sonthalia as an Additional Independent Director of the Company with effect from 10th November, 2018 by the Board of Directors at their meeting held on 10th November, 2018.
- b) Adequate notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**We further report** based on the information provided by the Company and also on review

of quarterly compliance reports by the Company Secretary and taken on record by the Board of Directors of the Company that there are adequate systems and processes in the Company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during** the Audit Period, the Company has no special event/ action.

Place: Kolkata

Date: 27th April, 2019

For **A MURARKA & CO**  
*Company Secretaries*

Sd/-  
**(ANIL MURARKA)**  
FCS No. 3150  
CoP No. 1857

**Note :** This Report is to be read only with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this Report.

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#### ANNEXURE-A

To,  
The Members,  
**SKP SECURITIES LIMITED**  
Chatterjee International Centre  
Level 21, 33A, Jawaharlal Nehru Road  
Kolkata – 700 071

Our report of even date is to be read only with this letter.

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) We have not examined any other specific laws except as mentioned herein above.
- e) Where ever required, we have obtained Management Representation about the compliance of Laws, Rules, Regulations, Standards, Guidelines and happening of events etc.
- f) The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards and Guidelines etc. is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- g) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 27th April, 2019

For **A MURARKA & CO**  
*Company Secretaries*

Sd/-  
**(ANIL MURARKA)**  
FCS No. 3150  
CoP No. 1857

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**SKP SECURITIES LIMITED**  
Kolkata – 700 071

That **SKP Securities Limited** (CIN: L74140WB1990PLC049032) is having its Registered Office at Chatterjee International Centre, Level 21, 33A, Jawaharlal Nehru Road Kolkata - 700071 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited.

1. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. As on 31st March, 2019 the Board of Directors of the Company comprised of:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>	<b>Date of Appointment</b>
1.	Naresh Pachisia	00233768	18.05.1990
2.	Nikunj Pachisia	06933720	01.08.2014
3.	Manju Pachisia	00233821	01.08.2014
4.	Kishore Bhimani	00013617	26.04.2005
5.	Ravi Todi	00080388	29.10.2011
6.	Paritosh Sinha	00963537	30.07.2016
7.	Santanu Ray	00642736	05.05.2018
8.	Saurabh Sonthalia	01355617	10.11.2018

3. Based on verification and examination of the disclosures/ register under section 184, 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal ([www.mca.gov.in](http://www.mca.gov.in)), we certify that none of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31st March, 2019.
4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

Place: Kolkata  
Date: 27th April, 2019

For **A MURARKA & CO**  
Company Secretaries

Sd/-  
**(ANIL MURARKA)**  
FCS No. 3150  
CoP No. 1857

**Annexure E**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2019**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	L74140WB1990PLC049032
ii)	Registration Date	18.05.1990
iii)	Name of the Company	SKP Securities Limited
iv)	Category of the Company	Public Limited Company
v)	Sub-Category of the Company	Company having Share Capital
vi)	Address of the Registered Office and Contact Details	Chatterjee International Centre, Level-21
		33A, Jawaharlal Nehru Road, Kolkata- 700071
		Phone: (033) 40077000, Fax:- (033) 40077007
		Email id: cs@skpsecurities.com
		Website: www.skpsecurities.com
vii)	Whether listed Company	Yes
viii)	Name, Address and Contact details of Registrar and Transfer Agent (RTA), if any	Maheshwari Datamatics Private Limited
		23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001
		Phone: (033) 22482248/22435029, Fax:- (033) 22484787
		Email id: mdpldc@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Services	0808	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	SKP Insurance Advisors Pvt Ltd Chatterjee International Centre 33A, Jawaharlal Nehru Road, Level- 21, Kolkata - 700071	U75131WB2002PTC094314	Subsidiary	100	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding :

Category of Shareholders		No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>										
<b>1 Indian</b>										
a)	Individuals/ Hindu Undivided Family	3299000	–	3299000	74.99	3299000	–	3299000	74.99	0.00
b)	Central Government									
c)	State Government(s)									
d)	Bodies Corporate(s)									
e)	Financial Institutions/ Banks									
f)	Any Other									
	<b>Sub Total(A)(1)</b>	<b>3299000</b>	<b>-</b>	<b>3299000</b>	<b>74.99</b>	<b>3299000</b>	<b>-</b>	<b>3299000</b>	<b>74.99</b>	<b>0.00</b>
<b>2 Foreign</b>										
a)	Non-Residents Individuals									
b)	Other Individuals									
c)	Bodies Corporate(s)									
d)	Financial Institutions/ Banks									
e)	Any Other									
	<b>Sub Total(A)(2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>3299000</b>	<b>–</b>	<b>3299000</b>	<b>74.99</b>	<b>3299000</b>	<b>–</b>	<b>3299000</b>	<b>74.99</b>	<b>0.00</b>
<b>(B) Public Shareholding</b>										
<b>1 Institutions</b>										
a)	Mutual Funds									
b)	Financial Institutions / Banks									
c)	Central Government									
d)	State Government(s)									
e)	Venture Capital Funds									
f)	Insurance Companies									
g)	Foreign Institutional Investors									

Category of Shareholders		No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h)	Foreign Venture Capital Investors									
i)	Any Others(Specify)									
	Alternate Investment Funds									
	Foreign Portfolio Investors									
	Provident Funds/Pension Funds									
	Qualified Foreign Investor									
	<b>Sub-Total (B)(1)</b>	–	–	–	–	–	–	–	–	–
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corporate</b>									
i)	Indian	228416	–	228416	5.19	228285	–	228285	5.19	–
ii)	Overseas									
<b>b)</b>	<b>Individuals</b>									
i)	Individual shareholders holding nominal share capital up to ₹ 2 lakh	261177	89735	350912	7.97	278123	76731	354854	8.06	0.09
ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	470207	16700	486907	11.07	466400	16700	483100	10.98	(0.09)
<b>c)</b>	<b>Others(Specify)</b>									
a)	Non-Resident Indian	6006	–	6006	0.14	6006	–	6006	0.14	–
b)	Qualified Foreign Investor									
c)	Custodian of Enemy Property									
d)	Foreign Nationals									
e)	Clearing Members	1776	–	1776	0.04	771	–	771	0.02	(0.02)
f)	Trust									
g)	Foreign Bodies-DR									
h)	Foreign Portfolio Investors									
i)	NBFCs registered with RBI									
j)	Employee Trusts									

Category of Shareholders		No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
k)	Domestic Corporate Unclaimed Shares Account									
l)	Investor Education and Protection Fund Authority	26383	—	26383	0.60	27384	—	27384	0.62	0.02
	<b>Sub-Total (B)(2)</b>	<b>993965</b>	<b>106435</b>	<b>1100400</b>	<b>25.01</b>	<b>1006969</b>	<b>93431</b>	<b>1100400</b>	<b>25.01</b>	<b>—</b>
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>993965</b>	<b>106435</b>	<b>1100400</b>	<b>25.01</b>	<b>1006969</b>	<b>93431</b>	<b>1100400</b>	<b>25.01</b>	<b>—</b>
(C)	<b>Shares held by Custodians for GDRs &amp; ADRs</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4292965</b>	<b>106435</b>	<b>4399400</b>	<b>100.00</b>	<b>4305969</b>	<b>93431</b>	<b>4399400</b>	<b>100.00</b>	<b>—</b>

**B. Shareholding of Promoters :**

Sl No.	Share holder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Share holding at the end of the year (as on 31.03.2019)			% Change in share holding during the year	PAN
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares		
1	Naresh Pachisia	2289000	52.03	—	2289000	52.03	—	—	AEYPP3776Q
2	Naresh Pachisia and Sons (HUF)	380000	8.64	—	380000	8.64	—	—	AADHN1170M
3	Manju Pachisia	300000	6.82	—	300000	6.82	—	—	AEMPP8051J
4	Nikunj Pachisia	165000	3.75	—	165000	3.75	—	—	AMNPP2582R
5	Vaibhav Pachisia	165000	3.75	—	165000	3.75	—	—	CBTPP7187F
	<b>Total</b>	<b>3299000</b>	<b>74.99</b>	<b>—</b>	<b>3299000</b>	<b>74.99</b>	<b>—</b>	<b>—</b>	

**C. Change in Promoters' Shareholding :**

Sl. No.	Name	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	<b>Naresh Pachisia</b>					AEYPP3776Q
	01/04/2018	2289000	52.03	–	–	
	31/03/2019	2289000	52.03	2289000	52.03	
2	<b>Naresh Pachisia and Sons (HUF)</b>					AADHN1170M
	01/04/2018	380000	8.64	–	–	
	31/03/2019	380000	8.64	380000	8.64	
3	<b>Manju Pachisia</b>					AEMPP8051J
	01/04/2018	300000	6.82	–	–	
	31/03/2019	300000	6.82	300000	6.82	
4	<b>Nikunj Pachisia</b>					AMNPP2582R
	01/04/2018	165000	3.75	–	–	
	31/03/2019	165000	3.75	165000	3.75	
5	<b>Vaibhav Pachisia</b>					CBTPP7187F
	01/04/2018	165000	3.75	–	–	
	31/03/2019	165000	3.75	165000	3.75	

**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)		PAN / Folio No. / DP ID
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	<b>Pushpa Devi Bangur</b>					ADAPB2153Q
	01/04/2018	291942	6.63	–	–	
	31/03/2019	291942	6.63	291942	6.63	
2	<b>Credwyn Holdings India (P) Ltd.</b>					AABCC0552H
	01/04/2018	195064	4.43	–	–	
	11/05/2018 - Transfer	(4669)	0.10	190395	4.32	
	31/03/2019	190395	4.32	190395	4.32	

Sl. No.	Name	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)		PAN / Folio No. / DP ID
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
3	<b>Purushottam Dass Bangur</b>					ADJPB1725D
	01/04/2018	60000	1.36	–	–	
	31/03/2019	60000	1.36	60000	1.36	
4	<b>Vinita Bangur</b>					AAPPR4217B
	01/04/2018	45497	1.03	–	–	
	31/03/2019	45497	1.03	45497	1.03	
5	<b>Hemant Bangur</b>					ADEPB7059D
	01/04/2018	45497	1.03	–	–	
	31/03/2019	45497	1.03	45497	1.03	
6	<b>Investor Education and Protection Fund Authority, Ministry of Corporate Affairs*</b>					IN30070810656671
	01/04/2018	26383	0.60	–	–	
	09/11/2018 - Transfer	1,001	0.02	27384	0.62	
	31/03/2019	27384	0.62	27384	0.62	
7	<b>Surajkavri Kasat</b>					S00567
	01/04/2018	16700	0.37	–	–	
	31/03/2019	16700	0.37	16700	0.37	
8	<b>Pooja Bhagwat*</b>					CADPB3709E
	01/04/2018	2265	0.05	–	–	
	06/04/2018 - Transfer	3651	0.08	5916	0.13	
	20/04/2018 - Transfer	1617	0.03	7533	0.17	
	27/04/2018 - Transfer	1002	0.02	8535	0.19	
	11/05/2018 - Transfer	1465	0.03	10000	0.22	
	13/07/2018 - Transfer	3300	0.07	13300	0.30	
	08/02/2019 - Transfer	(36)	0.00	13264	0.30	
	31/03/2019	13264	0.30	13264	0.30	
9	<b>Arihant Capital Market Ltd.*</b>					AABCA6832G
	01/04/2018	–	0.00	–	–	
	20/04/2018 - Transfer	10985	0.24	10895	0.24	
	27/04/2018 - Transfer	(343)	0.00	10642	0.24	
	04/05/2018 - Transfer	(62)	0.00	10580	0.24	
	11/05/2018 - Transfer	(210)	0.00	10370	0.23	

Sl. No.	Name	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)		PAN / Folio No. / DP ID
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	18/05/2018 - Transfer	(55)	0.00	10315	0.23	
	25/05/2018 - Transfer	(20)	0.00	10295	0.23	
	01/06/2018 - Transfer	(326)	0.00	9969	0.22	
	08/06/2018 - Transfer	(76)	0.00	9893	0.22	
	15/06/2018 - Transfer	(20)	0.00	9873	0.22	
	29/06/2018 - Transfer	(400)	0.00	9473	0.21	
	13/07/2018 - Transfer	(500)	0.01	8973	0.20	
	27/07/2018 - Transfer	501	0.01	9474	0.21	
	03/08/2018 - Transfer	500	0.01	9974	0.22	
	10/08/2018 - Transfer	826	0.01	10800	0.24	
	24/08/2018 - Transfer	1	0.00	10801	0.24	
	07/09/2018 - Transfer	1	0.00	10802	0.24	
	05/10/2018 - Transfer	286	0.00	11088	0.25	
	12/10/2018 - Transfer	200	0.00	11288	0.25	
	26/10/2018 - Transfer	200	0.00	11488	0.26	
	16/11/2018 - Transfer	273	0.00	11761	0.26	
	23/11/2018 - Transfer	84	0.00	11845	0.26	
	30/11/2018 - Transfer	9	0.00	11854	0.26	
	31/03/2019	11854	0.26	11854	0.26	
10	<b>Ashok Kumar Gupta</b>					AJBPG985A
	01/04/2018	10899	0.24	–	–	
	11/05/2018 - Transfer	200	0.00	11099	0.25	
	31/03/2019	11099	0.25	11099	0.25	
11	<b>Jagdish Aggarwal</b>					AAFP0994G
	01/04/2018	10200	0.23	–	–	
	31/03/2019	10200	0.23	10200	0.23	
12	<b>Dhannalal Goyal#</b>					AGUPG6055F
	01/04/2018	17071	0.38	–	–	
	20/04/2018 - Transfer	(12000)	0.27	5071	0.11	
	31/03/2019	5071	0.11	5071	0.11	

Sl. No.	Name	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)		PAN / Folio No. / DP ID
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
13	<b>Sectam Consultant Pvt. Ltd. #</b>					AAECS4300G
	01/04/2018	14404	0.32	–	–	
	06/04/2018 - Transfer	(900)	0.02	13504	0.30	
	13/04/2018 - Transfer	(30)	0.00	13474	0.30	
	04/05/2018 - Transfer	(400)	0.00	13074	0.29	
	11/05/2018 - Transfer	(1130)	0.02	11944	0.27	
	25/05/2018 - Transfer	(845)	0.01	11099	0.25	
	15/06/2018 - Transfer	(400)	0.00	10699	0.25	
	13/07/2018 - Transfer	(2541)	0.05	8158	0.18	
	20/07/2018 - Transfer	(500)	0.01	7658	0.17	
	27/07/2018 - Transfer	(1000)	0.02	6658	0.15	
	03/08/2018 - Transfer	(500)	0.01	7658	0.17	
	10/08/2018 - Transfer	(1487)	0.03	4671	0.10	
	17/08/2018 - Transfer	(701)	0.01	3970	0.09	
	24/08/2018 - Transfer	(50)	0.00	3920	0.08	
	31/03/2019	3920	0.08	3920	0.08	

\* Not in the list of Top 10 Shareholders as on 01/04/2018. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 Shareholders as on 31/03/2019. The same is reflected above since the Shareholder was one of the Top 10 Shareholders as on 01/04/2018.

#### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning (01.04.2018) /end of the year (31.03.2019)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Naresh Pachisia *</b>				
	01/04/2018	2289000	52.03	–	–
	31/03/2019	2289000	52.03	2289000	52.03
2	<b>Manju Pachisia</b>				
	01/04/2018	300000	6.82	–	–
	31/03/2019	300000	6.82	300000	6.82

3	<b>Nikunj Pachisia*</b>				
	01/04/2018	165000	3.75	—	—
	31/03/2019	165000	3.75	165000	3.75
4	<b>Ravi Todi</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—
5	<b>Kishore Bhimani</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—
6	<b>Paritosh Sinha</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—
7	<b>Santanu Ray</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—
8	<b>Saurabh Sonthalia</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—
<b>Key Managerial Personnel:-</b>					
1	<b>Naresh Pachisia</b>				
	01/04/2018	2289000	52.03	—	—
	31/03/2019	2289000	52.03	2289000	52.03
2	<b>Nikunj Pachisia</b>				
	01/04/2018	165000	3.75	—	—
	31/03/2019	165000	3.75	165000	3.75
3	<b>Anil Shukla</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—
4	<b>Alka Khetawat</b>				
	01/04/2018	—	—	—	—
	31/03/2019	—	—	—	—

\* Mr. Naresh Pachisia, Managing Director and Mr. Nikunj Pachisia, Whole-time Director has been included in the list of Directors as well as KMP.

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment** (₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	258.16	100.00	—	358.16
ii) Interest due but not paid	—	6.80	—	6.80
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>258.16</b>	<b>106.80</b>	<b>—</b>	<b>364.96</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	—	—	—	—
• Reduction	(216.71)	(106.80)	—	(323.51)
<b>Net Change</b>	<b>(216.71)</b>	<b>(106.80)</b>	<b>—</b>	<b>(323.51)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	41.36	—	—	41.36
ii) Interest due but not paid	0.09	—	—	0.09
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>41.45</b>	<b>—</b>	<b>—</b>	<b>41.45</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager** (₹ in Lacs)

Sl. no.	Particulars of Remuneration	Name of the Managing Director	Name of the Whole Time Director	Total
		Naresh Pachisia	Nikunj Pachisia	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50.00	24.00	74.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of profit	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	<b>50.00</b>	<b>24.00</b>	<b>74.00</b>
	Ceiling as per the Act	Remuneration paid to Directors is within the limit specified under section 197, 198 of the Companies Act, 2013		

**B. Remuneration to other Directors:**

<b>1. Non-Executive Independent Directors</b>						(₹ in Lacs)
Name of Directors	Board Meeting Fees	Committee Meeting Fees	Independent Directors Meeting Fees	Commission	Others	Total
Kishore Bhimani	1.00	0.12	0.05	—	—	1.17
Ravi Todi	1.00	0.28	0.05	—	—	1.33
Paritosh Sinha	1.00	0.08	0.05	—	—	1.13
Santanu Ray	0.75	0.15	0.05	—	—	0.95
Saurabh Sonthalia	0.50	—	0.05	—	—	0.55
<b>Total (1)</b>	<b>4.25</b>	<b>0.63</b>	<b>0.25</b>	—	—	<b>5.13</b>
<b>2. Non-Executive Non Independent Director</b>						
Manju Pachisia	1.00	—	—	—	—	1.00
<b>Total (2)</b>	<b>1.00</b>	—	—	—	—	<b>1.00</b>
<b>Total (1+2)</b>	<b>5.25</b>	<b>0.63</b>	<b>0.25</b>	—	—	<b>6.13</b>
Ceiling as per the Act	Remuneration paid to the Directors is within the limit specified under section 197, 198 of the Companies Act, 2013					

**C. Remuneration to Key Managerial Personnel other than MD/Manger/WTD: (₹ in Lacs)**

Sl. no.	Particulars	Name of the Chief Financial Officer	Name of the Company Secretary	Total
		Anil Shukla	Alka Khetawat	
1	Gross salary (Excluding Committee)			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.00	3.00	20.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of profit	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	<b>17.00</b>	<b>3.00</b>	<b>20.00</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES FOR THE YEAR ENDED 31ST MARCH, 2018**

S. No	Particulars	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any
<b>A.</b>	<b>Company</b>					
	(i) Penalty	—	—	—	—	—
	(ii) Punishment	—	—	—	—	—
	(iii) Compounding	—	—	—	—	—
<b>B.</b>	<b>Directors</b>					
	(i) Penalty	—	—	—	—	—
	(ii) Punishment	—	—	—	—	—
	(iii) Compounding	—	—	—	—	—
<b>C.</b>	<b>Other Officers in Default</b>					
	(i) Penalty	—	—	—	—	—
	(ii) Punishment	—	—	—	—	—
	(iii) Compounding	—	—	—	—	—

For and on behalf of the Board

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN:06933720

Place: Kolkata  
Date: 27th April, 2019

**Annexure F**

**ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITY ACTIVITIES**

Sl. No.	Particulars	Remarks		
1	A Brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs	The Company has framed the CSR Policy in compliance with the Provisions of the Companies Act 2013 read with the Companies (Social Responsibilities) Rules, 2014 and the same is hosted on the Company’s website www.skpsecurities.com		
2	The Composition of the CSR Committee	Mr. Kishore Bhimani	Non-Executive, Independent Director	Chairman
		Mrs. Manju Pachisia	Non-Executive, Non Independent Director	Member
		Mr. Naresh Pachisia	Executive Director	Member
3	Average net profit of the Company for last three financial years.	₹ 368.98 Lacs		
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 7.38 Lacs		
5	Details of CSR spent during the financial year:			
	a) Total amount spent for the financial year	₹ 5.00 Lacs		
	b) Amount unspent, if any	₹ 2.38 Lacs		
	c) Manner in which the amount spent during the financial year is detailed below:			

(₹ in Lacs)

Sl. No	CSR Projects / Activities	Sector	Location (District & State)	Amount outlay (budget) project or program wise	Amount spent on the project or program	Cumulative expenditure upto to the reporting period	Amount spent: Self or through implementing agency
1	Installation of 4 Nos. of Eco Clean Bio Toilets in slum area	Sanitation	Kolkata, West Bengal	2.00	2.00	2.00	Self

2	Construction of Vivekananda Sabha Griha -multipurpose hall for imparting Education and character building ideas for students and general public	Education	Jalpaiguri West Bengal	2.00	2.00	2.00	Ramakrishna Mission Ashrama - Implementing Agency
3	Adoption of ten numbers of Ekal Vidyalaya (one teacher school) for one year in tribal areas	Education	Jharkhand	1.00	1.00	1.00	Friends of Tribal Society- Implementing Agency

**6. Reasons for not spending the prescribed CSR expenditure:**

SKP has just embarked on the journey of ascertained CSR programs, however it considers social responsibility as part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Since the Company was not able to identify more CSR Partners/activities it was not able to spend the entire budgeted amount. The Company assures to spend the entire unspent amount of current year along with the budgeted expenditure for next year in the financial year 2019-20.

**7. Our CSR Responsibilities:**

We hereby confirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives of the Company.

For and on behalf of the Board

**Kishore Bhimani**

*Director*

DIN: 00013617

Chairman, CSR Committee

**Naresh Pachisia**

*Managing Director*

DIN: 00233768

Member, CSR Committee

Place: Kolkata

Date: 27th April, 2019

**Annexure G**

**Information pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- A. Ratio of Remuneration of each Director to the Median Remuneration of all employees of your Company for the financial year 2018-19 is as follows:

<b>Name of Director</b>	<b>Remuneration (₹ in Lacs)</b>	<b>Ratio of Remuneration of Director to the Median Remuneration</b>
Naresh Pachisia	50.00	11.14
Nikunj Pachisia	24.00	5.35

**Note:** Apart from the above mentioned Directors, none of other Directors have been paid remuneration except fee for attending meetings.

- B. Details of percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the financial year 2018-19 are as follows: (₹ in Lacs)

<b>Name</b>	<b>Designation</b>	<b>Remuneration (₹)</b>		<b>Increase %</b>
		<b>2017-18</b>	<b>2016-17</b>	
Naresh Pachisia	Managing Director	50.00	50.00	Nil
Nikunj Pachisia	Whole Time Director	24.00	22.00	9.09
Anil Shukla	Chief Financial Officer	17.00	15.00	13.33
Alka Khetawat	Company Secretary	3.00	2.60	15.38

- C. Percentage increase in the median remuneration of all employees in the financial year 2018-19: 9.52
- D. Number of permanent employees on rolls of the Company as on 31st March, 2019: 42
- E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The salaries of other than Managerial Personnel has increased by 14.25 % while salaries of Managerial Personnel has increased by 4.91% which is in line with increase in salary of the non-Managerial Personnel.

- F. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.
- G. There were no employee who received remuneration in excess of limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN:0693372

Place: Kolkata  
Date: 27th April, 2019

**Annexure H**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are provided hereunder:

**A. CONSERVATION OF ENERGY**

Your Company is engaged in the financial services sector; hence its operations do not account for substantial energy consumptions. Accordingly, the Company is not required to furnish information in Form A under the head Conservation of Energy. Several environment friendly measures to conserve energy have been adopted by the Company such as:

- Power shutdown of idle monitors.
- Minimizing air-conditioning usage.
- Shutting off all the lights when not in use.
- Educating and making the employees aware to save power.

**B. TECHNOLOGY ABSORPTION**

1	Efforts made towards technology absorption	Management keeps itself abreast of the technological advancements in the industry and ensures continued and sustained efforts towards absorption as well as development of the same to meet business needs and objectives
2	Benefits derived like Product improvement, cost reduction, product development or import substitution	The technological absorption has resulted in improvement in services. However, the benefits derived from the technological advancements are not quantifiable
3	In case of imported technology (imported during the last 3 years, reckoned from the beginning of the financial year) following information may be furnished:	
	(a) Technology imported	N.A.
	(b) Year of import	N.A.
	(c) Has technology been fully absorbed?	N.A.
	(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	N.A.
4	The expenditure incurred on Research and Development	The Company is engaged in financial services and so there were no activities in the nature of research and development in the business. However, we conduct financial and equity research which is not in the nature of research and development

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the period under review, there were no Foreign Exchange Earning and outgo was ₹ 1.38 Lacs.

For and on behalf of the Board

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN:0693372

Place: Kolkata  
Date: 27th April, 2019

**“Annexure I”**

**CORPORATE POLICIES**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has mandated the formulation of certain policies for all listed Companies. All our Corporate Governance policies are available on our Company’s website i.e [www.skpsecurities.com](http://www.skpsecurities.com)

<b>Name of the Policy</b>	<b>Brief Description</b>	<b>Web link</b>
Code of Conduct for Board Members and Senior Management Personnel	This Code is intended to provide and help in recognizing and dealing with ethical issues, provide mechanism to report unethical conduct. The Policy has been revised and adopted effective from 01.04.2019 in line with SEBI (LODR) Regulations, 2018	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Code of Conduct for Prohibition of Insider Trading	The Policy provides the framework in dealing with securities of the Company. The policy has been revised and adopted effective from 01.4.2019 in line with SEBI (Prohibition of Insider Trading Regulation), 2018	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Nomination and Remuneration Policy	The Policy formulates the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other employees	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Policy for determining Material Subsidiary	The Policy has been framed to determine Material Subsidiary of the Company. The Policy has been revised and adopted effective from 01.04.2019 in line with SEBI(LODR) Regulations, 2018	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Policy on Board Diversity	The Policy provides details on Board Diversity	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Policy on Materiality of an Event	The Policy applies to disclosures of material events affecting the Company	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Preservation of Documents and Archival Policy	The Policy deals with the retention and archival of corporate records	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>

<b>Name of the Policy</b>	<b>Brief Description</b>	<b>Web link</b>
Policy on Related Party transaction	The Policy regulates all transactions between the Company and its related parties. The Policy has been revised and adopted effective from 01.04.2019 in line with SEBI (LODR) Regulations, 2018	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Whistle Blower Policy (Vigil Mechanism)	The Company has adopted a whistle blower mechanism for its Directors / Employees to report concern about unethical behaviour, actual or suspected fraud	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>
Corporate Social Responsibility Policy	This Policy outlines the Company's strategy to bring about a positive impact on society through programs relating to education, healthcare, environment, hunger, poverty. The policy was adopted on 05.05.2019	<a href="http://www.skpsecurities.com/index.php/investor/policies">http://www.skpsecurities.com/index.php/investor/policies</a>

## **Annexure J**

### **DECLARATION - CODE OF CONDUCT**

The Board has laid down the Code of Conduct for all the Board Members and Senior Management of the Company, which is hosted on the Company's website [www.skpsecurities.com](http://www.skpsecurities.com). All the Board Members and Senior Management Personnel of the Company, for the Financial Year ended 31st March 2019, have affirmed compliance with the Code of Conduct.

**For SKP Securities Limited**

Place: Kolkata  
Date: 27th April 2019

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Annexure K**

**MD/CFO Certification**

[Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors  
**SKP Securities Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of SKP Securities Limited to the best of our knowledge and belief certify that:

- A. We have reviewed the Financial Statements for the Financial Year ended 31st March 2019 and that to the best of our knowledge and belief:
  1. These statements do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
  2. These statements together present a true and fair view of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  1. that there have been no significant changes, in internal control over financial reporting during the year.
  2. that there have been no significant changes, in accounting policies during the year.
  3. that there have been no instances of significant fraud of which I have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Kolkata  
Dated: 27th April, 2019

**Naresh Pachisia**  
*Managing Director*  
DIN: 00233768

**Anil Shukla**  
*Chief Financial Officer*  
PAN: AKLPS0016P

# INDEPENDENT AUDITOR'S REPORT

**To The Members of SKP Securities Limited**

**CIN : L74140WB1990PLC049032**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the accompanying Standalone Financial Statements of SKP Securities Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('the Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Accuracy of recognition, measurement, presentation and disclosures of Investments and other related balances	Our Procedure: We have verified these investments with reference to the provisions of Ind AS as also internal policies and procedure of the Company as follows:

<p>Investments include investments made by the Company in various quoted and unquoted equity shares and mutual funds.</p> <p>These investments constitute 52% of the Company's total assets.</p> <p>The valuation of each category of the aforesaid securities is to be done as per the provisions of Ind AS which involves collection of data/information from various sources such as Account statements of mutual funds, Demat statement, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, this has been determined as Key Audit Matter.</p> <p>Refer Note 5 to the standalone financial statements</p>	<ol style="list-style-type: none"> <li>carried out evaluation of the design and operating effectiveness of the internal controls and performed substantive audit procedures.</li> <li>Assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments.</li> <li>Verified compliance with the presentation and disclosure requirements as per Ind AS and the Act. This test was conducted for the entire population.</li> </ol>
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### **Information Other than the Standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account.
  - iv. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v. On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164(2) of the Act.
  - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements –Refer Note No. 28.1 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred to be transferred to the Investor Education and Protection Fund by the Company.

**For G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

**(CA. Rakesh Kumar Singh)**

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: the 27th April, 2019

## “Annexure A” to the Independent Auditor’s Report

Statement referred to in paragraph ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of SKP Securities Limited on the standalone financial statements for the year ended 31st March, 2019.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification and in our opinion the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As the Company has no inventory, provisions of clause (ii) of para 3 of the said order is not applicable to the Company.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no, loans, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of section 186 of the Act in respect of investments.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Act are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and based on the examination of the records of the Company as provided to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax, customs duty, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating to ₹ 4.79 Lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in Lacs)	Forum where the dispute is pending
Finance Act, 1994	Service Tax	2006-2007 to 2008-2009	4.37	Customs, Excise & Service Tax Appellant Tribunal
Income Tax Act, 1961	Income Tax	2013-14	0.42	Commissioner of Income Tax (Appeals)
	Total		4.79	

*Note : ₹ 1.96 Lacs have been deposited under protest with Appellant authority in respect of disputed service tax*

- (viii) The Company has not defaulted in repayment of loans or borrowings to bank. The Company has not taken any loan from financial institutions or Government and has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Therefore, clause (ix) of paragraph 3 of the said order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For G. P. Agrawal & Co.**

Chartered Accountants  
Firm's Registration No. - 302082E

**(CA. Rakesh Kumar Singh)**

Partner  
Membership No. 066421

Place of Signature: Kolkata  
Date: 27th April, 2019

## **“Annexure B” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of SKP Securities Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

**(CA. Rakesh Kumar Singh)**

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 27th April, 2019

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	4	408.84	433.56
(b) Financial assets			
(i) Investments	5(i)	1,000.18	1,383.02
(ii) Other financial assets	6(i)	587.96	387.27
(c) Deferred tax assets (net)	7	14.65	16.00
(d) Other non-current assets	8(i)	5.00	—
		<b>2,016.63</b>	<b>2,219.85</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Investments	5(ii)	742.94	485.93
(ii) Trade receivables	9	209.03	337.77
(iii) Cash and cash equivalents	10	53.71	90.76
(iv) Bank balances other than cash and cash equivalents	11	249.57	489.45
(v) Other financial assets	6(ii)	19.16	24.80
(b) Other current assets	8(ii)	31.11	24.60
		<b>1,305.52</b>	<b>1,453.31</b>
<b>Total Assets</b>		<b>3,322.15</b>	<b>3,673.16</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12	439.94	439.94
(b) Other equity	13	2,463.97	2,283.38
<b>Total Equity</b>		<b>2,903.91</b>	<b>2,723.32</b>
<b>Liabilities</b>			
<b>(2) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(i)	22.36	41.36
<b>(3) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(ii)	0.09	106.12
(ii) Trade payables	15	—	—
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		216.78	351.85
(iii) Other financial liabilities	16	147.02	358.12
(b) Other current liabilities	17	8.29	33.63
(c) Provisions	18	8.56	18.63
(d) Current tax liabilities (net)	19	15.14	40.13
		<b>395.88</b>	<b>908.48</b>
<b>Total Equity and Liabilities</b>		<b>3,322.15</b>	<b>3,673.16</b>
Corporate Information	1		
Significant accounting policies & Estimates	2-3		
Other disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Standalone Financial Statements.

As per our Report of even date attached  
For **G. P. AGRAWAL & CO.**  
Chartered Accountants  
Firm's Registration Number - 302082E

**For and on behalf of the Board**

**CA. Rakesh Kumar Singh**  
Partner  
(Membership No. 066421)

**Naresh Pachisia**  
Managing Director  
DIN:00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**Anil Shukla**  
Chief Financial Officer  
PAN: AKLPS0016P

**Alka Khetawat**  
Company Secretary  
Membership No. 47322

Place of Signature: Kolkata  
Date: 27th April, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(₹ in Lacs)

Particulars	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I. Revenue From Operations	20	1,123.90	1,739.44
II. Other Income	21	77.13	82.78
<b>III. Total Income</b>		<b>1,201.03</b>	<b>1,822.22</b>
IV. Expenses:			
Employee benefits expense	22	346.77	310.81
Finance costs	23	31.31	27.08
Depreciation expense	24	28.26	22.93
Other expenses	25	551.78	672.44
<b>Total Expenses</b>		<b>958.12</b>	<b>1,033.26</b>
<b>V. Profit before tax</b>		<b>242.91</b>	<b>788.96</b>
VI. Tax expense	26		
Current tax		58.45	170.30
Deferred tax		1.35	(5.36)
		<b>59.80</b>	<b>164.94</b>
<b>VII. Profit for the year</b>		<b>183.11</b>	<b>624.02</b>
VIII. Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(3.49)	(2.63)
Income tax relating to above item		0.97	0.68
Other Comprehensive Income for the year, net of tax		(2.52)	(1.95)
<b>IX. Total Comprehensive Income for the year</b>		<b>180.59</b>	<b>622.07</b>
XII. Earnings per equity share (Nominal value per share ₹ 10/- each)	27		
- Basic (₹)		4.16	12.55
- Diluted (₹)		4.16	12.55
Weighted Number of shares used in computing Earnings Per Equity Share		43,99,400	49,72,231
Corporate information	1		
Significant accounting policies & Estimates	2-3		
Other disclosures	28		

The accompanying notes 1 to 28 are an integral part of Standalone Financial Statements.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

Place of Signature: Kolkata

Date: 27th April, 2019

**For and on behalf of the Board**

**Naresh Pachisia**  
Managing Director  
DIN:00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**Anil Shukla**  
Chief Financial Officer  
PAN: AKLPS0016P

**Alka Khetawat**  
Company Secretary  
Membership No. 47322

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2019**

**(a) EQUITY SHARE CAPITAL**

(₹ in Lacs)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March 2018	561.50	(121.56)	439.94
For the year ended 31st March 2019	439.94	—	439.94

**(b) OTHER EQUITY**

(₹ in Lacs)

Particulars	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	
<b>Balance as at 1st April 2017</b>	<b>228.76</b>	<b>231.65</b>	<b>—</b>	<b>1,699.29</b>	<b>2,159.70</b>
Profit for the year	—	—	—	624.02	624.02
Other Comprehensive Income (net of tax)*	—	—	—	(1.95)	(1.95)
Utilised for buy back of shares (Refer note 12(f))	—	—	—	(498.39)	(498.39)
Transfer to / from Capital Redemption Reserve	(121.56)	—	121.56	—	—
Transfer to/ from General Reserve/Retained Earnings	10.00	—	—	(10.00)	—
<b>Balance as at 31st March 2018</b>	<b>117.20</b>	<b>231.65</b>	<b>121.56</b>	<b>1,812.97</b>	<b>2,283.38</b>
<b>Balance as at 1st April 2018</b>	<b>117.20</b>	<b>231.65</b>	<b>121.56</b>	<b>1,812.97</b>	<b>2,283.38</b>
Profit for the year	—	—	—	183.11	183.11
Other Comprehensive Income (net of tax)*	—	—	—	(2.52)	(2.52)
Transfer to/ from General Reserve/Retained Earnings	10.00	—	—	(10.00)	—
<b>Balance as at 31st March 2019</b>	<b>127.20</b>	<b>231.65</b>	<b>121.56</b>	<b>1,983.56</b>	<b>2,463.97</b>

\* Remeasurement of Defined Benefit Plan.

The accompanying notes 1 to 28 are an integral part of Standalone Financial Statements.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

Place of Signature: Kolkata

Date: 27th April, 2019

**For and on behalf of the Board**

**Naresh Pachisia**

Managing Director

DIN:00233768

**Nikunj Pachisia**

Whole-time Director

DIN: 06933720

**Anil Shukla**

Chief Financial Officer

PAN: AKLPS0016P

**Alka Khetawat**

Company Secretary

Membership No. 47322

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	242.91	788.96
Adjustments to reconcile Profit before Tax to Cash Flow provided by Operating Activities:		
Finance costs	31.31	27.08
Dividend income	(0.05)	(0.10)
Depreciation expense	28.26	22.93
Profit on sale of investments	(74.39)	(95.27)
Net gain on fair valuation measured at FVTPL	(74.66)	(82.56)
Bad debts written off	0.97	1.01
<b>Operating Profit before Working Capital changes</b>		
<b>Operating Profit to Cash Flow provided by changes in Working Capital:</b>	<b>154.35</b>	<b>662.05</b>
Increase/(Decrease) in Trade Payables, other liabilities and provisions	(186.30)	184.35
Decrease/(Increase) in trade receivables, loans, advances and other assets	161.09	(41.25)
<b>Cash Generated from Operations</b>	<b>129.14</b>	<b>805.15</b>
Less: Tax Expense	(83.44)	(139.62)
<b>Net Cash Generated / (Used) - Operating Activities</b>	<b>45.70</b>	<b>665.53</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant & equipment	(3.54)	(69.15)
Purchase of Investments	(2,344.65)	(696.93)
Sale of Investments	2,619.53	592.22
Dividend income	0.05	0.10
<b>Net Cash Generated / (Used) - Investing Activities</b>	<b>271.39</b>	<b>(173.76)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of shares	—	(619.95)
Repayment of long term borrowings	(108.23)	(32.91)
Proceeds from repayment of short term borrowings (Net)	(106.03)	106.12
Finance Cost	(31.31)	(27.08)
<b>Net Cash Generated / (Used) - Financing Activities</b>	<b>(245.57)</b>	<b>(573.82)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>71.52</b>	<b>(82.05)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>(17.81)</b>	<b>64.24</b>
<b>Closing Cash and Cash Equivalents</b>	<b>53.71</b>	<b>(17.81)</b>
<b>Notes:</b>		
1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on "Statement of Cash Flows".		
2) Cash and Cash Equivalents at the end of the year consists of:		
a) Balance with Banks on Current Accounts	48.64	86.63
b) Cash on hand	4.89	4.01
c) Stamps on hand	0.18	0.12
Closing cash and cash equivalents (Refer Note 10)	53.71	90.76
d) Less: Bank overdraft as per books	—	(108.57)
Closing cash and cash equivalents for the purpose of Cash flow statement	53.71	(17.81)
3) Cash and cash equivalents do not include any amount which is not available to the Company for its use.		
4) Figures in brackets represent cash outflow from respective activities.		

The accompanying notes 1 to 28 are an integral part of Standalone Financial Statements.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

**For and on behalf of the Board**

**Naresh Pachisia**

Managing Director

DIN:00233768

**Nikunj Pachisia**

Whole-time Director

DIN: 06933720

**Anil Shukla**

Chief Financial Officer

PAN: AKLPS0016P

**Alka Khetawat**

Company Secretary

Membership No. 47322

Place of Signature: Kolkata

Date: 27th April, 2019

## **NOTE NO. 1**

### **1. Company Overview**

SKP Securities Limited ('the Company') incorporated on 18th May 1990, is a Public Limited Company domiciled in India and has its registered office at Chatterjee International Centre, Level 21, 33A, Jawaharlal Nehru Road, Kolkata - 700 071. Its shares are listed on BSE Ltd.

The Company is engaged in the business of providing stock broking services, depository services, distribution of mutual funds and wealth advisory services.

The Company is registered with Securities and Exchange Board of India (SEBI) as a member of National Stock Exchange of India Limited (NSE), BSE Ltd., National Securities Depository Limited (NSDL), Central Depository Services (India) Ltd. (CDSL) and as Research Analysts. It is also registered with Association of Mutual Fund of India (AMFI).

The financial statements for the year ended 31st March 2019 were approved for issue by the Board of Directors on 27th April 2019.

## **NOTE NO. 2**

### **2. Significant accounting policies**

#### **2.1 Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ('the Act'). The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act. The Company adopted Ind AS from 1st April, 2017.

#### **2.2 Basis of preparation**

These financial statements are prepared in accordance with the historical cost convention on the accrual basis, except for certain items that are measured at fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

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

All amount disclosed in the financial statements including notes thereon have been rounded off to the nearest lakh as per the requirement of Schedule III to the Act, unless stated otherwise.

#### **2.3 Use of estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

## 2.4 Property, plant and equipment (PPE) and Depreciation

- a) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PPE recognised as at 1st April, 2016 measured as per the previous GAAP.
- b) Cost is inclusive of inward freight, non-refundable taxes and duties and directly attributable costs of bringing an asset to the location and condition of its intended use. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.
- c) The cost and related accumulated depreciation are derecognised from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.
- d) Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Depreciation on items of PPE is provided on a straight line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Act which in the view of the management best represents the period for which the asset is expected to be used.
- e) The estimated useful lives of PPE of the Company are as follows:

Freehold Premises	60 years
Office equipment	5 years
Furniture and fixtures	10 years
Computers, Servers and other Information Technology Equipments	3 to 6 years
Vehicles	8 years
- f) The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. The residual life is considered as 5% of the value of PPE.

## 2.5 Impairment of Assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, if any, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

## 2.6 Revenue recognition

With effect from 1st April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts there were not completed as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers in accordance with Ind AS 115.

The Company recognizes revenue to depict the transfer of promised goods or services to customers in amounts that reflect the payment to which the Company expects to be entitled in exchange for those goods or services by applying the following steps:

Step -1- Identify the contract with a customer;

Step -2- Identify the performance obligations in the contract;

Step -3- Determine the transaction price;

Step -4- Allocate the transaction price to the performance obligations in the contract;

Step -5- Recognize the revenue when (or as) the Company satisfies a performance obligation.

The Company is engaged in the business of providing stock broking services, depository services, distribution of mutual funds and wealth advisory services. The recognition criteria is as follows:

**a) Broking Services**

Income from broking activities and transactions in respect of dealing in shares and securities are recognised as the performance obligations are satisfied viz on the date of settlement on the respective stock exchange.

**b) Distribution Services**

Brokerage/commission from mutual funds and on distribution of third party products are recognised when the Company's right to receive the same is established.

**c) Depository and Advisory Services**

Income from Depository and Advisory services are recognised as the performance obligations are satisfied on the basis of agreement entered into with the clients and when the Company's right to receive the income is established.

**d) Interest income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**e) Dividend Income**

Dividend income is recognised when the Company's right to receive the dividend is established.

## **2.7 Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

## **2.8 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

## **2.9 Provisions, contingent liabilities and contingent assets**

- a) Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
- b) Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.
- d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **2.10 Employee benefits**

### **a) Short-term employee benefits**

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

### **b) Defined contribution plans**

Company's Contributions to Provident Fund are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due.

### **c) Defined benefit plans**

Gratuity is in the nature of a defined benefit plan. The cost of providing benefits under the defined benefit obligation is calculated on the basis of actuarial valuations carried out at reporting date by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

## **2.11 Financial instruments, Financial assets, Financial liabilities and Equity instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

### **i) Financial Assets**

#### **(a) Recognition**

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price

when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

### **(b) Classification**

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- 1) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- 2) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- 3) fair value through profit or loss (FVTPL), where the assets does not meet the criteria for categorization as at amortized cost or as FVTOCI. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

### **(c) Impairment**

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort.

The Company recognizes loss allowances using the expected credit loss (ECL) model and ECL impairment loss allowance are measured at an amount equal to lifetime ECL.

Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **(d) De-recognition**

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. If the asset is one that is measured at:

- (i) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (ii) fair value through other comprehensive income, the cumulative fair value

adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**ii) Financial liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

**iii) Equity instruments**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

**iv) Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**v) Dividend distribution**

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

**vii) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 2.12 Taxes

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

## 2.13 Earnings per Share

- a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 2.14 Leases

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

### As a lessor

Leases in which the company has substantially retained all the risks and rewards of ownership are classified as Operating Leases. Lease Income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

## **2.15 Cash and cash equivalents**

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management.

## **2.16 Cash Flow Statement**

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

### **NOTE NO. 3**

#### **3.1 Critical Accounting Estimates**

##### **(i) Estimation of Defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

##### **(ii) Provisions and Contingent Liabilities**

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of fund is believed to be probable and are liable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

#### **3.2 Recent accounting pronouncements**

##### **a) New and amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods as well as current period and are not expected to significantly affect the future periods.

**b) Standards Issued but not yet Effective**

**i) Ind AS 116**

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

**ii) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12**

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

**iii) Prepayment Features with Negative Compensation, Amendments to Ind AS 109**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

**iv) Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19**

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**NOTE NO. 4. PROPERTY, PLANT AND EQUIPMENT**

Description of Assets	Gross Block			Accumulated Depreciation			Net Block (₹ in Lacs)
	As at 1st April, 2018	Additions	Sales/ Adjustment	As at 31st March, 2019	For the year	Sales/ Adjustment	
Freehold Premises	320.56	—	—	320.56	5.08	—	305.84
Office Equipments	6.29	0.22	—	6.51	1.18	—	2.61
Furniture and Fixtures	11.74	—	—	11.74	0.45	—	3.69
Computers, Servers and other Information Technology Equipments	7.99	3.32	—	11.31	2.19	—	6.50
Vehicles	129.67	—	—	129.67	19.36	—	90.20
<b>Total</b>	<b>476.25</b>	<b>3.54</b>	<b>—</b>	<b>479.79</b>	<b>28.26</b>	<b>—</b>	<b>408.84</b>

**PREVIOUS YEAR**

Description of Assets	Gross Block			Accumulated Depreciation			Net Block
	As at 1st April, 2017	Additions	Sales/ Adjustment	As at 31st March, 2018	For the year	Sales/ Adjustment	
Freehold Premises	320.56	—	—	320.56	5.08	—	310.92
Office Equipments	5.57	0.72	—	6.29	1.34	—	3.57
Furniture and Fixtures	11.74	—	—	11.74	2.40	—	4.14
Computers, Servers and other Information Technology Equipments	3.41	4.58	—	7.99	1.30	—	5.37
Vehicles	65.82	63.85	—	129.67	12.81	—	109.56
<b>Total</b>	<b>407.10</b>	<b>69.15</b>	<b>—</b>	<b>476.25</b>	<b>22.93</b>	<b>—</b>	<b>433.56</b>

Aggregate Depreciation has been included under Depreciation expense in the Statement of Profit and Loss.

**NOTE NO. : 5**
**(i) NON-CURRENT INVESTMENTS**

(₹ in Lacs except where otherwise stated)

Particulars	Face value	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Mutual funds</b>					
<b>(At fair value through profit or loss)</b>					
<b>Quoted - Fully paid up</b>					
Aditya Birla Sun Life 95 Fund	10	—	—	10,767	83.76
Axis Banking & PSU Debt Fund-Direct-Growth	1000	5,653	100.04	—	—
DSP Black Rock Balanced Fund	10	—	—	55,662	82.72
Franklin India Equity Hybrid Fund-Direct-Growth	10	65,219	84.38	65,219	77.51
(Erstwhile Franklin India Balanced Fund )					
Franklin Templeton India Short Term Income Plan	1000	—	—	1	0.02
HDFC Balance Advantage Fund-Direct-Growth	10	22,807	47.69	40,738	62.21
(Erstwhile HDFC Balance Fund)					
HDFC Hybrid Equity Fund-Direct-Growth	10	118,887	67.41	12,015	60.80
(Erstwhile HDFC Prudence Fund)					
ICICI Prudential Equity & Debt Fund-Direct-Growth	10	92,044	132.62	—	—
ICICI Pru Balanced Fund	10	—	—	69,182	91.58
IDFC Balanced Fund	10	—	—	279,880	32.34
IDFC Banking & PSU Debt Fund-Direct-Growth	10	462,392	75.03	—	—
IDFC Bond Fund- STP-Direct-Growth	10	189,729	75.03	—	—
Kotak Equity Hybrid Direct-Growth	10	566,783	82.94	312,541	79.35
(Erstwhile Kotak Balance Fund)					
Mirae Asset Emerging Bluechip Fund-Direct-Growth	10	55,063	31.06	90,120	44.92
Mirae Asset Hybrid Equity Fund-Direct-Growth	10	566,783	89.26	427,827	58.99
(Erstwhile Mirae Asset Prudence Fund)					
Motilal Oswal Most Focused Multicap 35	10	—	—	224,168	61.25
Reliance Equity Hybrid Fund-Direct-Growth	10	147,909	87.46	147,909	83.65
(Erstwhile Reliance RSF Balanced Fund)					
Reliance Pharma Fund-Direct-Growth	10	14,722	23.53	—	—
SBI Equity Hybrid Fund-Direct-Growth	10	69,096	89.73	63,096	81.29
(Erstwhile SBI Magnum Balanced Fund)					
Tata Balanced Fund	10	—	—	31,780	66.51
UTI Nifty Index Fund	10	—	—	29,852	19.62

Particulars	Face value	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Equity Instruments</b>					
<b>In a subsidiary (At cost)</b>					
<b>Unquoted - Fully paid up :</b>					
SKP Insurance Advisors Private Limited	10	20,000	12.00	20,000	12.00
<b>In Others (At fair value through profit or loss)</b>					
<b>Unquoted - Fully paid up :</b>					
Calcutta Stock Exchange	1	250	2.00	250	2.00
Sudipta Traders Private Limited	10	—	—	85,000	382.50
<b>Total</b>			<b>1,000.18</b>		<b>1,383.02</b>
Aggregate amount of quoted investments			986.18		986.52
Aggregate market value of quoted investments			986.18		986.52
Aggregate amount of unquoted investments			14.00		396.50
Aggregate amount of impairment in value of investments			—		—

Out of the investment in units of mutual funds, units worth Rs 136.01 lacs (Previous Year Rs 635.11 lacs) are pledged/ under lien with Banks and others for overdraft facility. Total outstanding in overdraft account against pledge/lien of these units as on 31st March, 2019 is Rs 0.09 lacs (Previous Year -Nil).

**(ii) CURRENT INVESTMENTS**

(₹ in Lacs except where otherwise stated)

Particulars	Face Value	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Mutual funds</b>					
<b>(At fair value through profit or loss)</b>					
<b>Quoted-Fully paid up</b>					
Aditya Birla Sunlife Floating Rate Fund- Short term	10	—	—	21,616	50.11
Aditya Birla Sun Life Overnight Fund-Growth-Direct	1000	376	3.86	—	—
DSP Overnight Fund-Direct-Growth	1000	241	2.45	—	—
HDFC Overnight Fund-Direct-Growth	1000	5,351	151.01	—	—
HDFC Short term Debt Fund-Direct-Growth	10	480,058	100.00	—	—
ICICI Prudential Flexi Income Fund	10	—	—	68,757	230.26
ICICI Prudential Liquid Fund-Direct-Growth	10	4,548	12.57	7,990	205.56
ICICI Prudential Overnight Fund-Direct-Growth	10	245,249	251.08	—	—
ICICI Prudential Constant Maturity Gilt Fund-Direct-Growth	10	387,183	59.36	—	—
IDFC Overnight Fund-Direct-Growth	1000	16,024	162.26	—	—
SBI Overnight Fund-Direct-Growth	1000	11.43	0.35	—	—
<b>Total</b>			<b>742.94</b>		<b>485.93</b>
Aggregate amount of quoted investments			742.94		485.93
Aggregate market value of quoted investments			742.94		485.93
Aggregate amount of unquoted investments			—		—
Aggregate amount of impairment in value of investments			—		—

**NOTE NO: 6 OTHER FINANCIAL ASSETS**

**(i) Non-current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortised cost</b>		
Security deposits	294.96	387.27
<b>Fixed deposit pledged as security/margin deposit</b>		
Original maturity period more than 12 months	293.00	—
<b>Total</b>	<b>587.96</b>	<b>387.27</b>

**(ii) Current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortised cost</b>		
Security deposits	0.45	0.45
Interest accrued but not due on Fixed deposits	16.94	22.91
Other recoverables	1.77	1.44
<b>Total</b>	<b>19.16</b>	<b>24.80</b>

**NOTE NO: 7 DEFERRED TAX ASSETS (NET)**

**As at 31st March, 2019**

(₹ in Lacs)

Particulars	Opening Balance	Recognized in Profit & Loss	Recognized in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Property, plant and equipment	16.00	21.40	—	(5.40)
Investment	—	5.62	—	(5.62)
MAT credit entitlement	—	(25.67)	—	25.67
<b>Tax effect of items constituting deferred tax liabilities</b>	—	—	—	—
<b>Net deferred tax assets/income</b>	<b>16.00</b>	<b>1.35</b>	<b>—</b>	<b>14.65</b>

**As at 31st March, 2018**

(₹ in Lacs)

Particulars	Opening Balance	Recognized in Profit & Loss	Recognized in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Property, plant and equipment	10.64	5.36	—	16.00
<b>Tax effect of items constituting deferred tax liabilities</b>	—	—	—	—
<b>Net deferred tax assets/income</b>	<b>10.64</b>	<b>5.36</b>	<b>—</b>	<b>16.00</b>

**NOTE NO: 8 OTHER ASSETS**

**(i) Non-current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
Capital Advances	5.00	—
<b>Total</b>	<b>5.00</b>	<b>—</b>

**(ii) Current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Advances other than capital advances</b>		
Deposit against income tax appeal and other litigation	2.40	0.50
Other advances	9.51	18.50
<b>Others</b>		
Goods & Service Tax input credit	13.37	—
Prepaid Expenses	5.83	5.60
<b>Total</b>	<b>31.11</b>	<b>24.60</b>

**NOTE NO: 9 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortized cost</b>		
Unsecured, considered good	209.03	337.77
<b>Total</b>	<b>209.03</b>	<b>337.77</b>

**NOTE NO: 10 CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balances with Banks</b>		
In current accounts	48.64	86.63
Cash on hand	4.89	4.01
Stamps on hand	0.18	0.12
<b>Total</b>	<b>53.71</b>	<b>90.76</b>

**NOTE NO: 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Earmarked balances with Banks</b>		
Unpaid Dividend	3.49	3.70
Current deposits*	145.36	92.07
<b>Fixed deposit pledged as security/margin deposit</b>		
Current portion of original maturity period more than 12 months	100.72	393.68
<b>Total</b>	<b>249.57</b>	<b>489.45</b>

\* Balance with banks in Client Money Account not available for use of the Company

**NOTE NO: 12 EQUITY SHARE CAPITAL**

(₹ in Lacs)

	Particulars	No. of shares	As at 31st March, 2019	No. of shares	As at 31st March, 2018
(a)	<b>Authorised</b>				
	Equity shares of par value ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
			<b>1,000.00</b>		<b>1,000.00</b>
(b)	<b>Issued, subscribed and fully paid up</b>				
	Equity shares of par value ₹ 10/- each	43,99,400	439.94	43,99,400	439.94
			<b>439.94</b>		<b>439.94</b>

- (c) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (d) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by them, after distribution of all preferential dues. However, no such preferential dues exists currently.
- (e) The Company declares and pays dividend in Indian Rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (f) The Company has concluded the Buy-Back offer during the previous year ended 31st March, 2018 and in compliance with Regulation 12 of the Buy-Back Regulations, has extinguished 12,15,600 equity shares of ₹ 10/- each from the paid up equity share capital on 19th September, 2017.

This had resulted in total cash outflow of ₹ 619.95 lakh which was utilized from General Reserve (₹ 121.56 lacs) and Retained Earnings (₹ 498.39 lacs) pursuant to requirements of the Act. Further, Capital Redemption Reserve of ₹ 121.56 lacs representing the nominal value of the equity shares bought back was created out of retained earning account. Consequent to such buyback, equity share capital had been reduced by ₹ 121.56 lacs.

- (g) **Reconciliation of number and amount of equity shares outstanding:** (₹ in Lacs)

Particulars	No. of shares	As at 31st March, 2019	No. of shares	As at 31st March, 2018
At the beginning of the year	43,99,400	439.94	56,15,000	561.50
Less: Buy back of shares	—	—	12,15,600	121.56
At the end of the year	43,99,400	439.94	43,99,400	439.94

- (h) **Shareholders holding more than 5 % of the equity shares in the Company:**

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Naresh Pachisia	22,89,000	52.03	28,65,000	52.03
Naresh Pachisia & Sons (HUF)	3,80,000	8.64	3,80,000	8.64
Manju Pachisia	3,00,000	6.82	3,00,000	6.82
Pushpa Devi Bangur	2,91,942	6.63	2,91,942	6.63

- (i) The aggregate number of equity shares bought back in immediately preceding last five years ended on 31st March, 2019 – Nil (Previous period of five years ended on 31st March, 2018 – 12,15,600 equity share).

**NOTE NO: 13 OTHER EQUITY**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2017
<b>(a) General Reserve</b>		
As per last Balance Sheet	117.20	228.76
Less: Transferred to Capital Redemption Reserve Account (Refer note 12(f))	—	(121.56)
Add: Transferred from Retained earnings	10.00	10.00
<b>Closing balance</b>	<b>127.20</b>	<b>117.20</b>
<b>(b) Securities Premium Reserve</b>		
Balance as per last account	<b>231.65</b>	<b>231.65</b>
<b>(c) Capital Redemption Reserve</b>		
Balance as per last account	121.56	—
Add: Transferred from General Reserve (Refer note 12(f))	—	121.56
<b>Closing balance</b>	<b>121.56</b>	<b>121.56</b>
<b>(d) Retained earnings</b>		
Balance as per last account	1,812.97	1,699.29
Add: Net Profit for the year	183.11	624.02
Add: Other comprehensive income/(loss) for the year	(2.52)	(1.95)
Less: Utilised for buy back of shares (Refer note 12(f))	—	(498.39)
Less: Transfer to General Reserve	(10.00)	(10.00)
<b>Closing balance</b>	<b>1,983.56</b>	<b>1,812.97</b>
<b>Total</b>	<b>2,463.97</b>	<b>2,283.38</b>

Notes:

- General Reserve -General reserve is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- Securities Premium - The amount received in excess of the par value has been classified as Securities premium.
- Capital Redemption Revere - Capital Redemption Revere represents reserve created upon buy back of shares by the Company. This reserve is not distributable to shareholders and can be used to pay bonus shared issued.
- Retained earnings -Retained earnings represents the amount of accumulated earnings of the Company.

**NOTE NO: 14 BORROWINGS**

**(i) Non-current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortized cost</b>		
<b>Secured</b>		
<b>Vehicle Loan</b>		
From Banks	22.36	41.36
<b>Total</b>	<b>22.36</b>	<b>41.36</b>

**a) Nature of Security**

The vehicle loans are secured by way of hypothecation of vehicle purchased. The loan carries interest at the rate of 8% p.a.

**b) Terms of repayment**

(₹ in Lacs)

Sl No.	Name of the banks / entities	Amount outstanding as on 31.03.2019		Period of maturity w.r.t. Balance Sheet date	Number of instalments due as on 31.03.19
		Current *	Non current		
1	HDFC Bank - Loan against Property	— (79.40)	—	— (12 months)	— 12
2	HDFC Bank - Vehicle loan	— (11.29)	— (—)	— (10 months)	— (10)
3	HDFC Bank - Vehicle loan	19.00 (17.54)	22.36 (41.36)	25 months (37 months)	25 (37)
	<b>Total</b>	<b>19.00</b> (108.23)	<b>22.36</b> (41.36)		

\* Represents current maturities of long term debts shown under 'Other Financial Liabilities - Current (Note no. 16)'.

**(ii) Current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortised cost</b>		
Loan Payable on demand		
Bank Overdraft-Secured	0.09	—
(Secured against pledge of units of mutual funds)		
Intercompany deposits - Unsecured	—	106.12
<b>Total</b>	<b>0.09</b>	<b>106.12</b>

**NOTE NO: 15 TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 28(2))	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	216.78	351.85
<b>Total</b>	<b>216.78</b>	<b>351.85</b>

**NOTE NO: 16 OTHER FINANCIAL LIABILITIES-CURRENT**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term debt*	19.00	108.23
Unpaid & Unclaimed Dividends**	3.50	3.70
Other Payables		
Security Deposits	47.86	48.98
Accrued expenses	75.48	86.88
Bank overdraft as per books	—	108.57
Others	1.18	1.76
<b>Total</b>	<b>147.02</b>	<b>358.12</b>

\* Refer note no. 14 (a) & (b) for nature of securities and terms of repayment respectively.

\*\* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

**NOTE NO: 17 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues	8.29	33.63
<b>Total</b>	<b>8.29</b>	<b>33.63</b>

**NOTE NO: 18 PROVISIONS-CURRENT**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits (Refer note 29(3))		
Gratuity	8.56	18.63
<b>Total</b>	<b>8.56</b>	<b>18.63</b>

**NOTE NO: 19 CURRENT TAX LIABILITIES (NET)**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Taxation	224.35	166.87
Less : Tax deducted at source and Advance tax	209.21	126.74
<b>Total</b>	<b>15.14</b>	<b>40.13</b>

**NOTE NO: 20 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Sale of services*</b>		
Distribution services	394.09	568.51
Broking services	522.89	703.36
Depository services	28.76	34.83
Advisory services	13.73	227.50
	<b>959.47</b>	<b>1,534.20</b>
<b>Other operating revenues</b>		
Profit on sale of investments at FVTPL	74.39	95.27
Dividend on long term investments	0.05	0.10
Interest Income on financial assets carried at amortised costs		
On fixed deposits	27.59	25.20
On margin deposits	6.76	14.46
On late payment from clients	55.64	70.21
<b>Revenue from Contract with Customers</b>	<b>1,123.90</b>	<b>1,739.44</b>

\* Disaggregated revenue information as per Ind AS 115 is given in Notes 28.5.

**NOTE NO: 21 OTHER INCOME**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Other non-operating income</b>		
Miscellaneous income	0.61	0.22
Fair value gain on investments	74.66	82.56
	1.86	—
<b>Total</b>	<b>77.13</b>	<b>82.78</b>

**NOTE NO: 22 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and allowances	329.33	282.10
Contribution to Provident & Other funds	5.16	16.09
Staff welfare expenses	12.28	12.62
<b>Total</b>	<b>346.77</b>	<b>310.81</b>

**NOTE NO: 23 FINANCE COST**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Interest expenses</b>		
On long term borrowings	9.35	15.19
On short term borrowings	14.83	11.85
On delayed payment of Advance tax	7.12	—
Other borrowing cost	0.01	0.04
<b>Total</b>	<b>31.31</b>	<b>27.08</b>

**NOTE NO: 24 DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation / Amortisation (Refer Note no. 4)	28.26	22.93
<b>Total</b>	<b>28.26</b>	<b>22.93</b>

**NOTE NO: 25 OTHER EXPENSES**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Brokerage and commission	98.48	187.99
Broker Note Stamp	39.23	44.92
Connectivity charges	16.54	13.43
Computer Expenses	18.05	19.56
Corporate Social Responsibility Expense	5.00	—
Director Sitting Fess	6.13	4.25
Electricity expenses	18.76	18.76
Insurance Expenses	0.74	0.29
Legal & Professional Fees	71.80	116.28
Meetings & Seminar Expeenses	43.77	14.65
Rent	63.82	54.99
Rates and taxes	3.48	1.66
Repairs	13.56	10.17
Research Expenses	14.01	20.49
Bad debt written off	0.97	1.01
Payment to auditors		
As auditor for statutory audit	1.00	1.00
For tax audit	0.30	0.30

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
For other services	0.25	0.25
Subscription	19.31	8.56
Service Charges	6.42	7.80
Transaction Charges	20.04	28.38
Travelling Expenses	34.73	46.12
Vehicle Expenses	8.12	9.10
Miscellaneous Expenses	47.27	62.48
<b>Total</b>	<b>551.78</b>	<b>672.44</b>

**NOTE NO: 26 INCOME TAX**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Current tax</b>		
Tax for earlier year	—	2.76
Current Tax	58.45	167.54
Deferred tax	1.35	(5.36)
<b>Total</b>	<b>59.80</b>	<b>164.94</b>

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows :

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before income tax	242.92	788.96
Effective MAT rate	20%	20%
Computed expected tax expense	48.58	157.79
Tax effect on net amount transferred to other equity at the time of adoption of Ind AS	9.60	9.60
Net Tax effect on other comprehensive income	0.27	0.15
	<b>58.45</b>	<b>167.54</b>

**NOTE NO: 27 EARNINGS PER SHARE**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Amount used as the numerator (₹ in lakh)	183.11	624.02
Profit for the year - (A)		
b) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings per share* - (B)	43,99,400	49,72,231
c) Weighted average number of equity shares outstanding used as the denominator for computing Diluted earnings per share* - (C )	43,99,400	49,72,231
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic earnings per share (₹) (A/B)	4.16	12.55
f) Diluted earnings per share (₹) (A/C)	4.16	12.55

\* The weighted average number of shares takes into account the weighted average effect of changes in number of shares due to Buy-Back of shares.

## NOTE NO: 28 OTHER DISCLOSURES

### 1. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>I. Contingent liabilities:</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
Service tax demand -under appeal	6.33	6.33
Income tax demand- under appeal	0.42	0.42
	<b>6.75</b>	<b>6.75</b>
<b>II. Commitments</b>		
Estimated amount of contract remaining to be executed on Capital account and not provided for	17.50	—
Advance paid against above	5.00	—

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

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

- The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2019 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 : Nil (31st March 2018 : Nil).

### 3. Employee Benefits:

As per Indian Accounting Standard - 19 “Employee Benefits”, the disclosures of Employee Benefits are as follows:

#### a) Defined Contribution Plan:

The Company has no legal and constructive obligation to pay or make any contribution towards provident fund and ESIC for employees as the salaries of employees are above the statutory limit. However, the company makes contribution of Administrative charges for maintaining provident fund account of the employees.

#### b) Defined Benefit Plans:

##### i) Description of Plans

The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of service is entitled to specific benefit. The Gratuity Plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits provided depends on the member's length of service and salary at retirement age etc.

Gratuity Benefits are funded in nature. The company has opted for a Group Gratuity cum Life Assurance Scheme of Aditya Birla Sun Life Insurance Company Limited. The liabilities arising in the defined benefit schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the said plan:

ii) Details of funded post retirement plans are as follows:

(₹ in Lacs)

Particulars	Gratuity	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I. Components of Employer Expense</b>		
<b>I.1 Expenses recognised in the Statement of Profit and Loss:</b>		
Current service cost	4.37	3.74
Past service cost	—	12.15
Interest cost	0.70	0.11
Curtailement	—	—
Settlement	—	—
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>5.07</b>	<b>16.00</b>
<b>I.2 Remeasurements recognised in Other comprehensive income</b>		
Actuarial gain / (loss) arising from:		
- change in demographic assumptions	—	—
- change in financial assumptions	—	—
- changes in experience adjustments	(3.95)	(4.18)
- changes in asset ceiling (excluding interest income)	—	—
(Returns)/loss on plan assets excluding amounts included in Net interest cost	0.46	1.55
<b>Components of defined benefit costs recognised in Other comprehensive income</b>	<b>(3.49)</b>	<b>(2.63)</b>
<b>Total defined benefit cost recognised in Profit and Loss and Other comprehensive income</b>	<b>1.58</b>	<b>13.37</b>
<b>II. Change in present value of defined benefit obligation:</b>		
Present value of defined benefit obligation at the beginning of the year	57.01	35.94
Interest expense	4.14	2.63
Past service cost	—	12.15
Current service cost	4.37	3.74
Benefits paid	(3.58)	(1.63)
Actuarial gain / (loss) arising from:		
- change in financial assumptions	—	—
- changes in experience adjustments	3.95	4.18
<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>65.89</b>	<b>57.01</b>
<b>III Change in fair value of plan assets during the year:</b>		
Plan assets at the beginning of the year	38.39	32.92
Interest income	3.44	2.52
Employers' contributions	18.62	3.02
Benefits paid	(3.58)	(1.63)

Particulars	Gratuity	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Re-measurement (Returns on plan assets excluding amounts included in interest income)	0.46	1.55
<b>Fair Value of Plan Assets at the end of the year</b>	<b>57.33</b>	<b>38.39</b>
<b>IV. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:</b>		
Present value of Defined Benefit Obligation	65.89	57.01
Fair value of Plan Assets	57.33	38.39
Funded Status [Surplus/(Deficit)]	8.56	18.62

(₹ in Lacs)

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
<b>Net Asset / (Liability) recognised in Balance Sheet</b>		
Current liability	8.55	18.63
Non-current liability	—	—
<b>V. Actuarial Assumptions:</b>		
Discount Rate (% p.a.)	7.50%	7.50%
Expected return on Plan Assets (% p.a.)	7.50%	7.50%
Expected Rate of Salary increase (% p.a.)	5.00%	5.00%
Retirement/Superannuation Age (Year)	58	58
Mortality Rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
<b>VI. Major Category of Plan Assets as a % of the Total Plan Assets as at the year end:</b>		
Administered by Insurance Companies	100%	100%
<b>VII. Maturity Profile of Defined Benefit Obligation Expected cash flows (valued on undiscounted basis):</b>		
Year 1	1.29	4.07
Year 2	20.68	1.27
Year 3	4.47	20.28
Year 4	1.37	4.49
Year 5	10.44	1.34
Next 5 years	41.22	41.45
<b>Total expected payment</b>	<b>79.67</b>	<b>72.90</b>
The average duration of the defined benefit plan obligation at the end of the balance sheet date (in years)	8 years	8 years
<b>VIII. Sensitivity analysis on Present value of Defined Benefit Obligations:</b>		
<b>Discount rates</b>		
1% Increase	(4.64)	(4.35)
1% Decrease	5.39	5.06

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
<b>Expected rates of salary increases</b>		
1% Increase	4.53	4.10
1% Decrease	(4.02)	3.63
<b>Withdrawal Rate</b>		
1% Increase	1.50	1.42
1% Decrease	(1.72)	(1.63)
The sensitivity analyses above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date. All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.		
<b>IX. Experience adjustments on Present value of Defined Benefit Obligation and Plan Assets are as follows:</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Present value of Defined Benefit Obligation	65.89	57.01
Fair value of Plan Assets	57.33	38.39
(Deficit)/Surplus	8.56	18.62
Experience adjustment of Plan Assets [Gain/(Loss)]	—	—
Experience adjustment of Obligations [(Gain)/Loss]	(3.95)	(4.18)

**iii) Risks related to defined benefit plans:**

The main risks to which the Company is exposed in relation to operating defined benefit plans are

- Investment risk:** As the plan assets include significant investment in units of mutual funds, the company is exposed to risk of impact arising because of changes in Net Asset Value of mutual funds.
- Mortality risk:** The assumptions adopted by the Company make allowances for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plan and consequently increase in the plan's liabilities. In order to minimise this risk, mortality assumptions are reviewed on a regular basis.
- Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.
- Salary cost inflation risk:** The present value of the defined benefit plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**iv) Asset - liability management and funding arrangements**

The trustees are responsible for determining the investment strategy of plan assets. The overall investment policy and strategy for Company's funded defined benefit plan is guided by the objective of achieving an investment return which, together with the contribution paid is sufficient to maintain reasonable control over various funding risks of the plan.

**v) Other disclosures:**

- The following are the assumptions used to determine the benefit obligation
  - Discount rate:** The yield of government bonds are considered as the discount rate. The tenure has been considered taking into account the past long term trend of employees' average remaining service life which reflects the average estimated term of the post - employment benefit obligations.

- b) **Rate of escalation in salary** : The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- c) **Rate of return on plan assets**: Rate of return for the year was the average yield of the portfolio in which Company's plan assets are invested over a tenure equivalent to the entire life of the related obligation.
- d) **Attrition rate** : Attrition rate considered is the management's estimate based on the past long- term trend of employee turnover in the Company.
- ii) The Gratuity and Provident Fund expenses have been recognised under " Contribution to Provident and Other Funds" under " Salaries and Allowances" under Note No. 22.

#### 4. Operating Segment information

The Company is primarily engaged in a single business segment of Broking & Dealing in Securities and related services. All the activities of the company revolves around the main business. As such there are no separate reportable segments as per Ind AS - 108 "Operating Segment".

The Company earns its entire "revenue from external customers" in India being Company's country of domicile. All the assets are located in India. During the year revenue from no single customer amounted to more than 10% of the total revenue (31st March, 2018 - ₹ 190 Lacs).

#### 5 Disclosure as per IND AS 115 Revenue from Contract with Customers

##### Disaggregated revenue information:

(₹ in Lacs)

Types of services	2018-19	2017-18
Distribution services	394.09	568.51
Broking services	522.89	703.36
Depository services	28.76	34.83
Advisory services	13.73	227.50
<b>Total revenue from contract with customers</b>	<b>959.47</b>	<b>1,534.20</b>

(₹ in Lacs)

Types of customers	2018-19	2017-18
Financial Institutions	642.21	818.89
Retail customers	317.26	715.31
<b>Total revenue from contract with customers</b>	<b>959.47</b>	<b>1,534.20</b>

(₹ in Lacs)

Timing of goods or service	2018-19	2017-18
Services transferred at a point in time	959.47	1,534.20
<b>Total revenue from contract with customers</b>	<b>959.47</b>	<b>1,534.20</b>

(₹ in Lacs)

Contract Balances	31-03-2019	31-03-2018
Trade receivables (Refer Note 9)	209.03	337.77
Trade payables (Refer Note 15)	216.78	351.85
Revenue recognised out of Contract Liabilities at beginning of reporting period	—	—
Revenue recognised out of Performance obligation performed during previous year	—	—

**6. Related party disclosures:**

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

**i) Subsidiary Company** : SKP Insurance Advisors Private Limited  
(Control exists) :

**ii) Key Managerial Personnel** : Naresh Pachisia, Managing Director  
(KMP) : Nikunj Pachisia, Director

**iii) Other related parties**

Close members of KMP

Naresh Pachisia : Manju Pachisia (Wife)  
: Nikunj Pachisia (Son)  
: Kanupriya Pachisia (Son's wife)  
: Vaibhav Pachisia (Son)

**Significant influence entities:** Naresh Pachisia & Sons (HUF)

: Nikunj Pachisia (HUF)  
: SKP Commodities Limited

**b) Transactions with Related parties:**

(₹ in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Significant influence entities	KMP	Close Members of KMP	Total
<b>i) Compensation/Remuneration of KMP</b>					
Naresh Pachisia	—	—	50.00	—	50.00
	—	—	(50.00)	—	(50.00)
Nikunj Pachisia	—	—	24.00	—	24.00
	—	—	(22.00)	—	(22.00)
<b>ii) Rendering of services</b>					
Brokerage Earned	—	0.04	0.22	0.02	0.28
	—	(0.04)	(0.62)	(0.10)	(0.76)
Demat Charges Received	—	0.02	0.05	0.02	0.09
	—	(0.02)	(0.04)	(0.02)	(0.08)
<b>iii) Receiving of services</b>					
SKP Insurance Advisors Pvt. Ltd.	9.38	—	—	—	9.38
	(12.50)	—	—	—	(12.50)
SKP Commodities Ltd.	—	12.00	—	—	12.00
	—	(9.00)	—	—	(9.00)
<b>iii) Sale of Shares</b>					
Naresh Pachisia	—	—	—	—	—
	—	—	(112.38)	—	(112.38)
Nikunj Pachisia	—	—	—	—	—
	—	—	(1.76)	—	(1.76)
Manju Pachisia	—	—	—	—	—
	—	—	—	(59.70)	(59.70)
Vaibhav Pachisia	—	—	—	—	—
	—	—	—	(1.76)	(1.76)
<b>iv) Outstanding balances</b>	—	—	—	—	—
	—	—	—	—	—

**c) Details of Remuneration paid/payable to KMP:**

(₹ in Lacs)

Particulars	Naresh Pachisia		Nikunj Pachisia		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Short-term employee benefits:</b>						
Salary	50.00	50.00	24.00	22.00	74.00	72.00
<b>Post-employment benefits:</b>						
Contribution to Provident Fund and other Funds	—	—	—	—	—	—

d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

e) The remuneration of Directors is determined by the Nomination and Remuneration Committee of the Board of Directors considering the performance of individuals and market trends.

f) Figures in brackets pertain to previous year.

**7. Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

There are no transactions which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**8. Details of Loans, guarantee and Investments covered under section 186 (4) of the Companies Act, 2013:**

The particulars of Investments made are given under “Non - current investments” and “Current investments” in Note No. 5.

There is no loan and guarantee given.

**9. Lease disclosure**

**Operating lease taken**

The Company’s significant leasing arrangements is in respect of operating leases for office premises. These leasing arrangements which are cancellable at the option of the Company range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as ‘Rent’ under Note 25.

With regard to these operating leases for premises, the future minimum rentals are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	39.54	39.27
More than one year and not later than five years	203.39	217.44
Later than five years	18.16	23.47
<b>Total</b>	<b>261.09</b>	<b>280.18</b>

**10. Dividend remitted in foreign currency :**

The Company has not remitted any amount in foreign currency on account of dividend during the current year or previous year.

## 11. Financial instruments - Accounting, Classification and Fair value measurements

### A. Financial instruments by category

As at 31st March, 2019

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
<b>(1) Financial assets</b>							
(a) Investments	5	1,731.12	—	—	1,731.12	1,731.12	
(b) Trade and other receivables	9	209.03	209.03	—	—	209.03	
(c) Cash and cash equivalents	10	53.71	53.71	—	—	53.71	
(d) Bank balances other than cash and cash equivalents	11	249.57	249.57	—	—	249.57	
(e) Other financial assets	6	607.12	607.12	—	—	607.12	
<b>Total</b>		<b>2,850.55</b>	<b>1,119.43</b>	<b>—</b>	<b>1,731.12</b>	<b>2,850.55</b>	
<b>(2) Financial liabilities</b>							
(a) Borrowings	14	22.45	22.45	—	—	22.45	
(b) Trade and other payables	15	216.78	216.78	—	—	216.78	
(c) Other financial liabilities	16	147.02	147.02	—	—	147.02	
<b>Total</b>		<b>386.25</b>	<b>386.25</b>	<b>—</b>	<b>—</b>	<b>386.25</b>	

As at 31st March, 2018

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
<b>(1) Financial assets</b>							
(a) Investments	5	1,856.95	—	—	1,856.95	1,856.95	
(b) Trade and other receivables	9	337.77	337.77	—	—	337.77	
(c) Cash and cash equivalents	10	90.76	90.76	—	—	90.76	
(d) Bank balances other than cash and cash equivalents	11	489.45	489.45	—	—	489.45	
(e) Other financial assets	6	412.07	412.07	—	—	412.07	
<b>Total</b>		<b>3,187.00</b>	<b>1,330.05</b>	<b>—</b>	<b>1,856.95</b>	<b>3,187.00</b>	
<b>(2) Financial liabilities</b>							
(a) Borrowings	14	147.48	147.48	—	—	147.48	
(b) Trade and other payables	15	351.85	351.85	—	—	351.85	
(c) Other financial liabilities	16	358.12	358.12	—	—	358.12	
<b>Total</b>		<b>857.45</b>	<b>857.45</b>	<b>—</b>	<b>—</b>	<b>857.45</b>	

## B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of cash and cash equivalents, other bank balances, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using adjusted net asset value method. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

The fair value of investment in mutual funds has been determined based on quotes from mutual funds/ Asset management companies during the year.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2.

The following tables provide the fair value hierarchy of the Company's assets measured at fair value on a recurring basis:

(i) Financial assets measured at fair value on a recurring basis as at 31st March, 2019:

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Level 1	Level 2	Level 3	Total
A.	<b>Financial assets</b>					
	Investments	5	1,729.12	—	2.00	1,731.12
	<b>Total financial assets</b>		<b>1,729.12</b>	<b>—</b>	<b>2.00</b>	<b>1,731.12</b>

(ii) Financial assets measured at fair value on a recurring basis as at 31st March, 2018:

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Level 1	Level 2	Level 3	Total
A.	<b>Financial assets</b>					
	Investments	5	1,472.45	—	384.50	1,856.95
	<b>Total financial assets</b>		<b>1,472.45</b>	<b>—</b>	<b>384.50</b>	<b>1,856.95</b>

Description of significant unobservable inputs to valuation:

The following table shows the valuation technique and inputs for financial instruments:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments in equity shares	Adjusted net asset method	

## 12. Financial risk management objectives and policies

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

### (a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under financial instrument or a customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivable, security deposit with exchanges and from its financing activities including deposits placed with bank and financial institutions and other financial instruments/assets.

Credit risk from balances with bank and other financial instrument is managed in accordance with company's policies according to which Surplus funds are parked only in approved investment categories with well defined limits. Investment category is periodically reviewed by the Board of Directors of the Company.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by credit rating agencies

Other financial assets measured at amortized cost includes loans to employees, security deposits and others. Credit risk related to these financial assets are managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system is in place to ensure that the amounts are within defined limits.

Customer credit risk is managed as per company's established policy, procedure and control related to credit risk management. Credit quality of the customer is assessed based on his previous track record and funds & securities held by him in his account and individual credit limit are defined according to this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under Note No. 9.

The Company assesses and manages credit risk of financial assets on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company provides for expected credit loss on Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets based on 12 months expected credit loss/life time expected credit loss/ fully provided for. Life time expected credit loss is provided for trade receivables.

The ageing analysis of the receivables are:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Upto 6 months	167.28	307.26
6 to 12 months	4.50	7.74
More than 12 months	37.25	22.77
<b>Total</b>	<b>209.03</b>	<b>337.77</b>

**(b) Liquidity risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligation on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

The table below summarises the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lacs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
<b>31st March, 2019</b>				
Borrowings (excluding interest)	19.09	22.36	—	41.45
Trade payables	216.78	—	—	216.78
Other financial liabilities	128.02	—	—	128.02
<b>Total</b>	<b>363.89</b>	<b>22.36</b>	<b>—</b>	<b>386.25</b>
<b>31st March, 2018</b>				
Borrowings (excluding interest)	214.35	41.36	—	255.71
Trade payables	351.85	—	—	351.85
Other financial liabilities	249.89	—	—	249.89
<b>Total</b>	<b>816.09</b>	<b>41.36</b>	<b>—</b>	<b>857.45</b>

**(c) Market risk**

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market rate risk comprises of currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

**Foreign currency risk**

Foreign currency risk is the risk of impact related to fair value of future cash flows if an exposure in foreign currency, which fluctuate due to change in foreign currency rate. The Company has no international transactions and is not exposed to foreign exchange risk.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rate.

#### i) Liabilities

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company has no variable rate borrowings.

#### ii) Assets

The company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### Price risk

Price risk is the risk that the fair value of financial instrument will fluctuate due to change in market traded price.

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

## 13. Capital Management

### (a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders and maintain an optimal capital structure to reduce the cost of Capital.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (Buy -Back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2019 and 31st March, 2018.

The Company's Debt to Equity Ratio is as below :

(₹ in Lacs)

Particulars	31st March, 2019	31st March, 2018
Net debt	—	340.40
Total equity	2,903.91	2,723.32
<b>Net debt to equity ratio</b>	—	0.12

\* Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

**(b) Dividend**

No Dividend has been proposed during the previous two financial years

- 14.** The previous year's including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

*Chartered Accountants*

Firm's Registration Number - 302082E

**For and on behalf of the Board**

**Naresh Pachisia**

*Managing Director*

DIN:00233768

**Nikunj Pachisia**

*Whole-time Director*

DIN: 06933720

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

**Anil Shukla**

*Chief Financial Officer*

PAN: AKLPS0016P

**Alka Khetawat**

*Company Secretary*

Membership No. 47322

Place of Signature: Kolkata

Date: 27th April, 2019

# INDEPENDENT AUDITOR'S REPORT

**To The Members of SKP Securities Limited**

**CIN : L74140WB1990PLC049032**

**Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the accompanying consolidated financial statements of **SKP Securities Limited** (hereinafter referred to as “the Holding Company”) and its Subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of his reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in

forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Accuracy of recognition, measurement, presentation and disclosures of Investments and other related balances</p> <p>Investments include investments made by the Group in various quoted and unquoted equity shares and mutual funds.</p> <p>These investments constitute 52% of the Group's total assets.</p> <p>The valuation of each category of the aforesaid securities is to be done as per the provisions of Ind AS which involves collection of data/information from various sources such as Account statements of mutual funds, Demat statement, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, this has been determined as Key Audit Matter.</p> <p><i>Refer Note 5 to the consolidated financial statements</i></p>	<p>Our Procedure:</p> <p>We have verified these investments with reference to the provisions of Ind AS as also internal policies and procedure of the Group as follows:</p> <ol style="list-style-type: none"> <li>carried out evaluation of the design and operating effectiveness of the internal controls and performed substantive audit procedures.</li> <li>Assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments.</li> <li>Verified compliance with the presentation and disclosure requirements as per Ind AS and the Act. This test was conducted for the entire population.</li> </ol>

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which is a company incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his reports, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and the audit evidence obtained by the other auditor in terms of his reports referred to in Other Matter paragraph below. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matters**

We did not audit the financial statements of SKP Insurance Advisors Pvt. Ltd., a subsidiary, whose financial statements reflect total assets of ₹ 16.71 lacs as at 31st March, 2019, total revenues of ₹ 14.82 lacs and net cash out flows amounting to ₹ 0.32 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion is not modified in respect of this matter.

## **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
- iii. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the Directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a Director in terms of section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure A” which is based on the Auditor’s reports of the Holding company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and

operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.

- vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note No. 28.1 to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2019.
  - c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Holding Company during the year ended 31st March, 2019. There were no amounts which were required to be transferred to the investor education and protection fund by the subsidiary company during the year ended 31st March, 2019.

For **G.P. Agrawal & Co.**  
*Chartered Accountants*  
Firm's Registration No. - 302082E

**(CA. Rakesh Kumar Singh)**  
Partner  
Membership No. 066421

Place of Signature: Kolkata  
Date: 27th April, 2019

## **Annexure A” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of SKP Securities Limited (“the Holding Company”) and its subsidiary company, which is a company incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company, is based on the corresponding report of the auditors of such company.

For **G.P. Agrawal & Co.**  
*Chartered Accountants*  
Firm's Registration No. - 302082E

Place of Signature: Kolkata  
Date: 27th April, 2019

**(CA. Rakesh Kumar Singh)**  
Partner  
Membership No. 066421

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	4	408.84	433.56
(b) Financial assets			
(i) Investments	5(i)	988.18	1,371.02
(ii) Other financial assets	6(i)	587.96	387.27
(c) Deferred tax assets (net)	7	14.65	16.00
(d) Other non-current assets	8(i)	5.00	—
		<b>2,004.63</b>	<b>2,207.85</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Investments	5(ii)	742.94	485.93
(ii) Trade receivables	9	209.05	337.77
(iii) Cash and cash equivalents	10	65.41	102.78
(iv) Bank balances other than cash and cash equivalents	11	249.57	489.45
(v) Other financial assets	6(ii)	19.16	24.80
(b) Other current assets	8(ii)	31.11	24.58
		<b>1,317.24</b>	<b>1,465.31</b>
<b>Total Assets</b>		<b>3,321.87</b>	<b>3,673.16</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12	439.94	439.94
(b) Other equity	13	2,468.06	2,286.15
		<b>2,908.00</b>	<b>2,726.09</b>
<b>Liabilities</b>			
<b>(2) Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(i)	<b>22.36</b>	<b>41.36</b>
<b>(3) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(ii)	0.09	106.12
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		216.78	351.85
(iii) Other financial liabilities	16	147.64	359.73
(b) Other current liabilities	17	8.29	33.63
(c) Provisions	18	8.56	18.63
(d) Current tax liabilities (net)	19	10.15	35.75
		<b>391.51</b>	<b>905.71</b>
<b>Total Equity and Liabilities</b>		<b>3,321.87</b>	<b>3,673.16</b>
Corporate Information	1		
Significant accounting policies and Estimates	2-3		
Others disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

**For and on behalf of the Board**

**Naresh Pachisia**  
Managing Director  
DIN:00233768

**Anil Shukla**  
Chief Financial Officer  
PAN: AKLPS0016P

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**Alka Khetawat**  
Company Secretary  
Membership No. 47322

Place of Signature: Kolkata

Date: 27th April, 2019

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(₹ in Lacs)

Particulars	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I. Revenue from operations	20	1,125.29	1,671.37
II. Other income	21	81.18	85.02
<b>III. Total income</b>		<b>1,206.47</b>	<b>1,756.39</b>
IV. Expenses:			
Employee benefits expense	22	359.61	326.21
Finance costs	23	31.31	27.08
Depreciation expense	24	28.26	22.93
Other expenses	25	542.59	704.63
<b>Total expenses</b>		<b>961.77</b>	<b>1,080.85</b>
<b>V. Profit before exceptional item and tax</b>		<b>244.70</b>	<b>675.54</b>
VI. Exceptional items		—	—
<b>VII. Profit before tax</b>		<b>244.70</b>	<b>675.54</b>
VIII. Tax expense	26		
Current tax		58.92	170.34
Deferred tax		1.35	(5.21)
		60.27	165.13
<b>IX. Profit for the year (VII-VIII)</b>		<b>184.43</b>	<b>510.41</b>
X. Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(3.49)	(2.63)
Income tax relating to above item		0.97	0.68
Other Comprehensive Income for the year, net of tax		(2.52)	(1.95)
<b>XI. Total Comprehensive Income for the year (IX + X)</b>		<b>181.91</b>	<b>508.46</b>
XII. Net Profit attributable to:			
(a) Owners of the Company		184.43	510.41
(b) Non-Controlling interest		—	—
XIII. Total Comprehensive Income attributable to:			
(a) Owners of the Company		181.91	508.46
(b) Non-Controlling interest		—	—
XIV. Earnings per equity share (Nominal value per share ₹ 10/-)	27		
- Basic (₹)	4.19	10.27	
- Diluted (₹)		4.19	10.27
Corporate Information	1		
Significant accounting policies and Estimates	2-3		
Others disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

Place of Signature: Kolkata

Date: 27th April, 2019

**For and on behalf of the Board**

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Anil Shukla**  
Chief Financial Officer  
PAN: AKLPS0016P

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**Alka Khetawat**  
Company Secretary  
Membership No. 47322

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2019**

**(a) EQUITY SHARE CAPITAL**

(₹ in Lacs)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March 2018	561.50	(121.56)	439.94
For the year ended 31st March 2019	439.94	—	439.94

**(b) OTHER EQUITY**

(₹ in Lacs)

Particulars	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
<b>Balance as at 1st April 2017</b>	<b>228.76</b>	<b>231.65</b>	<b>1.14</b>	<b>—</b>	<b>1,814.54</b>	<b>2,276.09</b>
Profit for the year	—	—	—	—	510.41	510.41
Other Comprehensive Income (net of tax)*	—	—	—	—	(1.95)	(1.95)
Utilised for buy back of shares (Refer Note 12(f))	—	—	—	—	(498.40)	(498.40)
Transfer to Capital Redemption Reserve	(121.56)	—	—	121.56	—	—
Transfer to/ from General Reserve/ Retained Earnings	10.00	—	—	—	(10.00)	—
<b>Balance as at 31st March 2018</b>	<b>117.20</b>	<b>231.65</b>	<b>1.14</b>	<b>121.56</b>	<b>1,814.60</b>	<b>2,286.15</b>
<b>Balance as at 1st April 2018</b>	<b>117.20</b>	<b>231.65</b>	<b>1.14</b>	<b>121.56</b>	<b>1,814.61</b>	<b>2,286.15</b>
Profit for the year	—	—	—	—	184.43	184.43
Other Comprehensive Income (net of tax)*	—	—	—	—	(2.52)	(2.52)
Transfer to/ from General Reserve/ Retained Earnings	10.00	—	—	—	(10.00)	—
<b>Balance as at 31st March, 2019</b>	<b>127.20</b>	<b>231.65</b>	<b>1.14</b>	<b>121.56</b>	<b>1,986.51</b>	<b>2,468.06</b>

\* Remeasurement of Defined Benefit Plan.

The accompanying notes 1 to 28 are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached  
For **G. P. AGRAWAL & CO.**  
Chartered Accountants  
Firm's Registration Number - 302082E

**For and on behalf of the Board**

**CA. Rakesh Kumar Singh**  
Partner  
(Membership No. 066421)

**Naresh Pachisia**  
Managing Director  
DIN: 00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**Anil Shukla**  
Chief Financial Officer  
PAN: AKLPSS0016P

**Alka Khetawat**  
Company Secretary  
Membership No. 47322

Place of Signature: Kolkata  
Date: 27th April, 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	244.70	675.54
Adjustments to reconcile Profit before Tax to Cash Flow provided by Operating Activities:		
Finance costs	31.31	27.08
Dividend income	(0.05)	(0.10)
Depreciation expense	28.26	22.93
Profit on sale of investments	(74.39)	(24.37)
Net gain on fair valuation measured at FVTPL	(74.66)	(84.80)
Bad debts written off	0.97	45.34
<b>Operating Profit before Working Capital changes</b>		
Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital:		
Increase/(Decrease) in Trade Payables, other liabilities and provisions	(187.29)	(65.77)
Decrease/(Increase) in trade receivables, loans, advances and other assets	161.05	220.78
<b>Cash Generated from Operations</b>	<b>129.90</b>	<b>816.63</b>
Less: Tax Expense	(84.52)	(141.08)
<b>Net Cash Generated / (Used) - Operating Activities</b>	<b>45.38</b>	<b>675.55</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant & equipment	(3.54)	(69.15)
Sale of property, plant & equipment	-	0.10
Purchase of Investments	(2,344.65)	(504.93)
Sale of Investments	2,619.53	336.58
Dividend income	0.05	0.10
<b>Net Cash Generated / (Used) - Investing Activities</b>	<b>271.39</b>	<b>(237.30)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of shares	-	(619.96)
Repayment of long term borrowings	(108.23)	(49.29)
Proceeds from repayment of short term borrowings (Net)	(106.03)	106.12
Finance Cost	(31.31)	(27.08)
<b>Net Cash Generated / (Used) - Financing Activities</b>	<b>(245.57)</b>	<b>(590.21)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>71.20</b>	<b>(151.96)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>(5.79)</b>	<b>146.17</b>
<b>Closing Cash and Cash Equivalents</b>	<b>65.41</b>	<b>(5.79)</b>
<b>Notes:</b>		
1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS -7 "Statement of Cash Flow".		
2) Cash and Cash Equivalents at the end of the period consists of:		
a) Balance with Banks on Current Accounts	60.31	98.62
b) Cash on hand	4.92	4.04
c) Stamps on hand	0.18	0.12
Closing cash and cash equivalents (Refer Note 10)	65.41	102.78
d) Less: Bank overdraft as per books	-	(108.57)
3) Closing cash and cash equivalents for the purpose of Cash flow statement	<b>65.41</b>	<b>(5.79)</b>
4) Figure in brackets represent cash outflow from respective activities.		

The accompanying notes 1 to 28 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

For **G.P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

Place of Signature: Kolkata

Date: 27th April, 2019

**For and on behalf of the Board**

**Naresh Pachisia**

Managing Director

DIN: 00233768

**Anil Shukla**

Chief Financial Officer

PAN: AKLPS0016P

**Nikunj Pachisia**

Whole-time Director

DIN: 06933720

**Alka Khetawat**

Company Secretary

Membership No. 47322

## **NOTE NO. 1**

### **1. Company Overview**

SKP Securities Limited (“the Company”) incorporated on 18th May, 1990, is a Public Limited Company domiciled in India and has its registered office at Chatterjee International Centre, Level 21, 33A, Jawaharlal Nehru Road, Kolkata - 700 071. Its shares are listed on BSE Ltd.

SKP Securities Limited together with its subsidiary is hereinafter referred to as ‘the Group’.

The Group is engaged in the business of providing stock broking services, depository services, distribution of mutual funds, wealth advisory services and insurance broking services.

The Company is registered with Securities and Exchange Board of India (SEBI) as a member of National Stock Exchange of India Limited (NSE), BSE Ltd., National Securities Depository Limited (NSDL), Central Depository Services (India) Ltd. (CDSL) and as Research Analysts. It is also registered with Association of Mutual Fund of India (AMFI).

The Group’s consolidated financial statements are approved for issue by the Company’s Board of Directors on 27th April, 2019.

## **NOTE NO. 2**

### **2. Significant accounting policies**

#### **2.1 Statement of Compliance with Ind AS**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (‘the Act’). The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act. The Company adopted Ind AS from 1st April, 2017.

#### **2.2 Basis of preparation**

The consolidated financial statements are prepared in accordance with the historical cost convention on accrual basis, except for certain items that are measured at fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

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

All amount disclosed in the financial statements including notes thereon have been rounded off to the nearest lakh as per the requirement of Schedule III to the Act, unless stated otherwise.

#### **2.3 Use of estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

## **2.4 Basis of Consolidation**

The Consolidated Financial Statements (CFS) includes the financial statements of the Company and its subsidiary/ies.

Subsidiaries are entities controlled by the Group.

Control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements.

The assets, liabilities, income and expenses of subsidiary/ies are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## **2.5 Property, plant and equipment (PPE) and Depreciation**

- a) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PPE recognised as at 1st April, 2016 measured as per the previous GAAP.
- b) Cost is inclusive of inward freight, non-refundable taxes and duties and directly attributable costs of bringing an asset to the location and condition of its intended use. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.
- c) The cost and related accumulated depreciation are derecognised from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.
- d) Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Depreciation on items of PPE is provided on a straight line basis to allocate their cost, net of their residual value over the estimated

useful life of the respective asset as specified in Schedule II to the Act which in the view of the management best represents the period for which the asset is expected to be used:

- e) The estimated useful lives of PPE of the Group are as follows:
- |  |              |
|--|--------------|
| Freehold Premises  | 60 years     |
| Office equipment   | 5 years      |
| Furniture and fixtures   | 10 years     |
| Computers, Servers and other Information Technology Equipments | 3 to 6 years |
| Vehicles   | 8 years      |
- f) The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. The residual life is considered as 5% of the value of PPE.

## 2.6 Impairment of Assets

As at each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, if any, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

## 2.7 Revenue recognition

With effect from 1st April, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts there were not completed as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers in accordance with Ind AS 115.

The Group recognizes revenue to depict the transfer of promised goods or services to customers in amounts that reflect the payment to which the Group expects to be entitled in exchange for those goods or services by applying the following steps:

Step -1- Identify the contract with a customer;

Step -2- Identify the performance obligations in the contract;

Step -3- Determine the transaction price;

Step -4- Allocate the transaction price to the performance obligations in the contract;

Step -5- Recognize the revenue when (or as) the Company satisfies a performance obligation.

The Group is engaged in the business of providing stock broking services, depository services, distribution of mutual funds, wealth advisory services and insurance broking services. The recognition criteria is as follows:

**a) Broking Services**

Income from broking activities and transactions in respect of dealing in shares and securities are recognised as the performance obligations are satisfied viz is on the date of settlement on the respective stock exchange.

**b) Distribution Services**

Brokerage/commission from mutual funds and on distribution of third party products are recognised when the Company's right to receive the same is established.

**c) Depository and Advisory Services**

Income from Depository and Advisory services are recognised as the performance obligations are satisfied on the basis of agreement entered into with the clients and when the Company's right to receive the income is established.

**d) Interest income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**e) Dividend Income**

Dividend income is recognised when the Company's right to receive the dividend is established.

**2.8 Foreign Currency Transactions**

The functional and presentation currency of the Group is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

**2.9 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**2.10 Provisions, contingent liabilities and contingent assets**

- a) Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
- b) Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

- c) Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.
- d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **2.11 Employee benefits**

### **a) Short-term employee benefits**

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

### **b) Defined contribution plans**

Contributions to Provident Fund are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due.

### **c) Defined benefit plans**

Gratuity is in the nature of a defined benefit plan. The cost of providing benefits under the defined benefit obligation is calculated on the basis of actuarial valuations carried out at reporting date by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

## **2.12 Financial instruments, Financial assets, Financial liabilities and Equity instruments**

Financial assets and financial liabilities are recognised when the Companies in the group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

### **i) Financial Assets**

#### **(a) Recognition**

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Companies in the group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

#### **(b) Classification**

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- 1) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.

- 2) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fairvalue, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- 3) fair value through profit or loss (FVTPL), where the assets does not meet the criteria for categorization as at amortized cost or as FVTOCI. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investment in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

#### **(c) Impairment**

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort.

Loss allowances are recognised using the expected credit loss (ECL) model and ECL impairment loss allowance are measured at an amount equal to lifetime ECL.

Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

#### **(d) De-recognition**

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. If the asset is one that is measured at:

- (i) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (ii) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

#### **ii) Financial liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

### **iii) Equity instruments**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

### **iv) Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **v) Dividend distribution**

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

### **vii) Fair value measurement**

The Group measures financial instruments at fair value at each balance sheet date.

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## **2.13 Taxes**

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to

tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

## **2.14 Earnings per Share**

- a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## **2.15 Leases**

### **As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

### **As a lessor**

Leases in which the Group has substantially retained all the risks and rewards of ownership

are classified as Operating Leases. Lease Income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

## **2.16 Cash and cash equivalents**

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Group's cash management.

## **2.17 Cash Flow Statement**

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

## **NOTE NO. 3**

### **3.1 Critical accounting estimates**

#### **(i) Estimation of Defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

#### **(ii) Provisions and Contingent Liabilities**

The Group has ongoing litigations with various regulatory authorities and third parties.

Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

### **3.2 Recent accounting pronouncements**

#### **a) New and amended standards adopted by the Group**

The Group has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods as well as current period and are not expected to significantly affect the future periods.

#### **b) Standards Issued but not yet Effective**

##### **i) Ind AS 116**

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Group is evaluating the impact of the standard and amendment on the financial position and results of operation.

##### **ii) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12**

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Group is evaluating the impact of the standard and amendment on the financial position and results of operation.

**iii) Prepayment Features with Negative Compensation, Amendments to Ind AS 109**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

**iv) Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19**

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

(₹ in Lacs)

**NOTE NO. 4. PROPERTY, PLANT AND EQUIPMENT**

Description of Assets	Gross Block				Accumulated Depreciation			Net Block
	As at 1st April 2018	Additions	Sales/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Sales/ Adjustment	
Freehold Premises	320.56	—	—	320.56	9.64	5.08	—	305.84
Office Equipments	6.29	0.22	—	6.51	2.72	1.18	—	2.61
Furniture and Fixtures	11.74	—	—	11.74	7.60	0.45	—	3.69
Computers, Servers and other Information Technology Equipments	7.99	3.32	—	11.31	2.62	2.19	—	6.50
Vehicles	129.67	—	—	129.67	20.11	19.36	—	90.20
<b>Total</b>	<b>476.25</b>	<b>3.54</b>	<b>—</b>	<b>479.79</b>	<b>42.69</b>	<b>28.26</b>	<b>—</b>	<b>408.84</b>

**PREVIOUS YEAR**

Description of Assets	Gross Block				Accumulated Depreciation			Net Block
	As at 1st April 2017	Additions	Sales/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Sales/ Adjustment	
Freehold Premises	320.56	—	—	320.56	4.56	5.08	—	310.92
Office Equipments	5.57	0.72	—	6.29	1.38	1.34	—	3.57
Furniture and Fixtures	11.74	—	—	11.74	5.20	2.40	—	4.14
Computers, Servers and other Information Technology Equipments	3.41	4.58	—	7.99	1.32	1.30	—	5.37
Vehicles	65.82	63.85	—	129.67	7.30	12.81	—	109.56
<b>Total</b>	<b>407.10</b>	<b>69.15</b>	<b>—</b>	<b>476.25</b>	<b>19.76</b>	<b>22.93</b>	<b>—</b>	<b>433.56</b>

Aggregate Depreciation has been included under Depreciation expense in the Statement of Profit and Loss.

**NOTE NO. : 5**
**(i) NON-CURRENT INVESTMENTS**

(₹ in Lacs except where otherwise stated)

Particulars	Face value	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Mutual funds</b>					
<b>(At fair value through profit or loss)</b>					
<b>Quoted - Fully paid up</b>					
Aditya Birla Sun Life 95 Fund	10	—	—	10,767	83.76
Axis Banking & PSU Debt Fund-Direct-Growth	1000	5,653	100.04	—	—
DSP Black Rock Balanced Fund	10	—	—	55,662	82.72
Franklin India Equity Hybrid Fund-Direct-Growth (Erstwhile Franklin India Balanced Fund )	10	65,219	84.38	65,219	77.51
Franklin Templeton India Short Term Income Plan	1000	—	—	1	0.02
HDFC Balance Advantage Fund-Direct-Growth (Erstwhile HDFC Balance Fund)	10	22,807	47.69	40,738	62.21
HDFC Hybrid Equity Fund-Direct-Growth (Erstwhile HDFC Prudence Fund)	10	118,887	67.41	12,015	60.80
ICICI Prudential Equity & Debt Fund-Direct-Growth	10	92,044	132.62	—	—
ICICI Pru Balanced Fund	10	—	—	69,182	91.58
IDFC Balanced Fund	10	—	—	279,880	32.34
IDFC Banking & PSU Debt Fund-Direct-Growth	10	462,392	75.03	—	—
IDFC Bond Fund- STP-Direct-Growth	10	189,729	75.03	—	—
Kotak Equity Hybrid-Direct-Growth (Erstwhile Kotak Balance Fund)	10	566,783	82.94	312,541	79.35
Mirae Asset Emerging Bluechip Fund-Direct-Growth	10	55,063	31.06	90,120	44.92
Mirae Asset Hybrid Equity Fund-Direct-Growth (Erstwhile Mirae Asset Prudence Fund)	10	566,783	89.26	427,827	58.99
Motilal Oswal Most Focused Multicap 35	10	—	—	224,168	61.25
Reliance Equity Hybrid Fund-Direct-Growth (Erstwhile Reliance RSF Balanced Fund)	10	147,909	87.46	147,909	83.65
Reliance Pharma Fund- Direct-Growth	10	14,722	23.53	—	—
SBI Equity Hybrid Fund-Direct-Growth (Erstwhile SBI Magnum Balanced Fund)	10	69,096	89.73	63,096	81.29
Tata Balanced Fund	10	—	—	31,780	66.51
UTI Nifty Index Fund	10	—	—	29,852	19.62

Particulars	Face value	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Equity Instruments</b>					
<b>Unquoted - Fully paid up :</b>					
Calcutta Stock Exchange	1	250	2.00	250	2.00
Sudipta Traders Private Limited	10	—	—	85,000	382.50
<b>Total</b>			<b>988.18</b>		<b>1,371.02</b>
Aggregate amount of quoted investments			986.18		986.52
Aggregate market value of quoted investments			986.18		986.52
Aggregate amount of unquoted investments			2.00		384.50
Aggregate amount of impairment in value of investments			—		—

Out of the investment in units of mutual funds, units worth Rs 136.01 lacs (Previous Year Rs 635.11 lacs) are pledged/ under lien with Banks and others for overdraft facility. Total outstanding in overdraft account against pledge/lien of these units as on 31st March, 2019 is Rs 0.09 lacs (Previous Year -Nil).

**(ii) CURRENT INVESTMENTS**

(₹ in Lacs except where otherwise stated)

Particulars	Face Value	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Mutual funds</b>					
<b>(At fair value through profit or loss)</b>					
<b>Quoted-Fully paid up</b>					
Aditya Birla Sunlife Floating Rate Fund- Short term	10	—	—	21,616	50.11
Aditya Birla Sun Life Overnight Fund- Growth-Direct	1000	376	3.86	—	—
DSP Overnight Fund- Direct Growth	1000	241	2.45	—	—
HDFC Overnight Fund-Direct-Growth	1000	5,351	151.01	—	—
HDFC Short term Debt Fund-Direct-Growth	10	480,058	100.00	—	—
ICICI Prudential Flexi Income Fund	10	—	—	68,757	230.26
ICICI Prudential Liquid Fund-Direct-Growth	10	4,548	12.57	7,990	205.56
ICICI Prudential Overnight Fund-Direct-Growth	10	245,249	251.08	—	—
ICICI Prudential Constant Maturity Gilt Fund-Direct-Growth	10	387,183	59.36	—	—
IDFC Overnight Fund-Direct-Growth	1000	16,024	162.26	—	—
SBI Overnight Fund-Direct-Growth	1000	11	0.35	—	—
<b>Total</b>			<b>742.94</b>		<b>485.93</b>
Aggregate amount of quoted investments			742.94		485.93
Aggregate market value of quoted investments			742.94		485.93
Aggregate amount of unquoted investments			—		—
Aggregate amount of impairment in value of investments			—		—

**NOTE NO: 6 OTHER FINANCIAL ASSETS**

**(i) Non-current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortised cost</b>		
Security deposits	294.96	387.27
<b>Fixed deposit pledged as security/margin deposit</b>		
Original maturity period more than 12 months	293.00	—
<b>Total</b>	<b>587.96</b>	<b>387.27</b>

**(ii) Current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortised cost</b>		
Security deposits	0.45	0.45
Interest accrued but not due on Fixed deposits	16.94	22.91
Other recoverables	1.77	1.44
<b>Total</b>	<b>19.16</b>	<b>24.80</b>

**NOTE NO: 7 DEFERRED TAX ASSETS (NET)**

**As at 31st March, 2019**

(₹ in Lacs)

Particulars	Opening Balance	Recognized in profit & loss	Recognized in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Property, plant and equipment	16.00	21.40	—	(5.40)
Investment	—	5.62	—	(5.62)
MAT credit entitlement	—	(25.67)	—	25.67
<b>Tax effect of items constituting deferred tax liabilities</b>	—	—	—	—
<b>Net deferred tax assets/income</b>	<b>16.00</b>	<b>1.35</b>	<b>—</b>	<b>14.65</b>

**As at 31st March, 2018**

(₹ in Lacs)

Particulars	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Property, plant and equipment	10.64	5.36	—	16.00
<b>Tax effect of items constituting deferred tax liabilities</b>	—	—	—	—
<b>Net deferred tax assets/income</b>	<b>10.64</b>	<b>5.36</b>	<b>—</b>	<b>16.00</b>

**NOTE NO: 8 OTHER ASSETS**

**(i) Non-current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
Capital Advances	5.00	—
<b>Total</b>	<b>5.00</b>	<b>—</b>

**(ii) Current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Advances other than capital advances</b>		
Deposit against income tax appeal and other litigation	2.40	0.50
Other advances	9.51	18.50
<b>Others</b>		
Goods & Service tax input credit	13.37	—
Prepaid Expenses	5.83	5.58
<b>Total</b>	<b>31.11</b>	<b>24.58</b>

**NOTE NO: 9 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortized cost</b>		
Unsecured, considered good	209.05	337.77
<b>Total</b>	<b>209.05</b>	<b>337.77</b>

**NOTE NO: 10 CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balances with Banks</b>		
In current accounts	60.31	98.62
Cash on hand	4.92	4.04
Stamps on hand	0.18	0.12
<b>Total</b>	<b>65.41</b>	<b>102.78</b>

**NOTE NO: 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Earmarked balances with Banks</b>		
Unpaid Dividend	3.49	3.70
Current deposits*	145.36	92.07
<b>Fixed deposit pledged as security/margin deposit</b>		
Current portion of original maturity period more than 12 months	100.72	393.68
<b>Total</b>	<b>249.57</b>	<b>489.45</b>

\* Balance with banks in Client Money Account not available for use of the Company

**NOTE NO: 12 EQUITY SHARE CAPITAL**

(₹ in Lacs)

	Particulars	No. of shares	As at 31st March, 2019	No. of shares	As at 31st March, 2018
(a)	<b>Authorised</b>				
	Equity shares of par value ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
			<b>1,000.00</b>		<b>1,000.00</b>
(b)	<b>Issued, subscribed and fully paid up</b>				
	Equity shares of par value ₹ 10/- each	43,99,400	439.94	43,99,400	439.94
			<b>439.94</b>		<b>439.94</b>

- (c) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (d) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by them, after distribution of all preferential dues. However, no such preferential dues exists currently.
- (e) The Company declares and pays dividend in Indian Rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (f) The Company has concluded the Buy-Back offer during the previous year ended 31st March 2018 and in compliance with Regulation 12 of the Buy-Back Regulations has extinguished 12,15,600 equity shares of ₹ 10/- each from the paid up equity share capital on 19th September, 2017.

This had resulted in total cash outflow of ₹ 619.95 lakh which was utilized from General Reserve (₹ 121.56 lacs) and Retained Earnings (₹ 498.39 lacs) pursuant to requirements of the Act. Further, Capital Redemption Reserve of ₹ 121.56 lacs representing the nominal value of the equity shares bought back was created out of Retained Earning account. Consequent to such Buy-Back, equity share capital had been reduced by ₹ 121.56 lacs.

- (g) **Reconciliation of number and amount of equity shares outstanding:** (₹ in Lacs)

Particulars	No. of shares	As at 31st March, 2019	No. of shares	As at 31st March, 2018
At the beginning of the year	43,99,400	439.94	56,15,000	561.50
Less: Buy back of shares	—	—	12,15,600	121.56
At the end of the year	43,99,400	439.94	43,99,400	439.94

- (h) **Shareholders holding more than 5 % of the equity shares in the Company:**

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Naresh Pachisia	22,89,000	52.03	22,89,000	52.03
Naresh Pachisia & Sons (HUF)	3,80,000	8.64	3,80,000	8.64
Manju Pachisia	3,00,000	6.82	3,00,000	6.82
Pushpa Devi Bangur	2,91,942	6.63	2,91,942	6.63

- (i) The aggregate number of equity shares bought back in immediately preceding last five years ended on 31st March, 2019 – Nil (Previous period of five years ended on 31st March, 2018 – 12,15,600 equity share).

**NOTE NO: 13 OTHER EQUITY**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) General Reserve</b>		
As per last Balance Sheet	117.20	228.76
Less: Transferred to Capital Redemption Reserve Account (Refer note 12(f))	—	(121.56)
Add: Transferred from Retained Earnings	10.00	10.00
<b>Closing balance</b>	<b>127.20</b>	<b>117.20</b>
<b>(b) Securities Premium Reserve</b>		
Balance as per last account	<b>231.65</b>	<b>231.65</b>
<b>(c) Capital Reserve</b>		
Capital Reserve on consolidation of subsidiary	<b>1.14</b>	<b>1.14</b>
<b>(d) Capital Redemption Reserve</b>		
Balance as per last account	121.56	—
Add: Transferred from General Reserve (Refer note 12(f))	—	121.56
<b>Closing balance</b>	<b>121.56</b>	<b>121.56</b>
<b>(d) Retained earnings</b>		
Balance as per last account	1,814.60	1,814.54
Add: Net Profit for the year	184.43	510.41
Add: Other comprehensive income/(loss) for the year	(2.52)	(1.95)
Less: Utilised for buy back of shares (Refer note 12(f))	—	(498.40)
Less: Transfer to General Reserve	(10.00)	(10.00)
<b>Closing balance</b>	<b>1,986.51</b>	<b>1,814.60</b>
<b>Total</b>	<b>2,468.06</b>	<b>2,286.15</b>

Notes:

- General Reserve -General reserve is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, Buy-Back of shares etc.
- Securities Premium - The amount received in excess of the par value has been classified as Securities premium.
- Capital Redemption Revere - Capital Redemption Revere represents reserve created upon Buy-Back of shares by the Company. This reserve is not distributable to shareholders and can be used to pay bonus shared issued.
- Retained earnings-Retained earnings represents the amount of accumulated earnings of the Company.

**NOTE NO: 14 BORROWINGS**

**(i) Non-current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortized cost</b>		
<b>Secured</b>		
<b>Vehicle Loan</b>		
From Banks	22.36	41.36
<b>Total</b>	<b>22.36</b>	<b>41.36</b>

**a) Nature of Security**

The vehicle loans are secured by way of hypothecation of vehicle purchased. The loan carries interest at the rate of 8% p.a.

**b) Terms of repayment**

(₹ in Lacs)

Sl No.	Name of the banks / entities	Amount outstanding as on 31.03.2019		Period of maturity w.r.t. Balance Sheet date	Number of instalments due as on 31.03.19
		Current *	Non current		
1	HDFC Bank - Loan against Property	— (79.40)	— (—)	— (12 months)	— (12)
2	HDFC Bank - Vehicle loan	— (11.29)	— (—)	— (10 months)	— (10)
3	HDFC Bank - Vehicle loan	19.00 (17.54)	22.36 (41.36)	25 months (37 months)	25 (37)
	<b>Total</b>	<b>19.00</b> (108.23)	<b>22.36</b> (41.36)		

\* Represents current maturities of long term debts shown under Other Financial Liabilities - Current (Note no. 16).

**(ii) Current**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Carried at amortised cost</b>		
Loan Payable on demand		
Bank Overdraft-Secured (Secured against pledge of units of mutual funds)	0.09	—
Intercompany deposits - Unsecured	—	106.12
<b>Total</b>	<b>0.09</b>	<b>106.12</b>

**NOTE NO: 15 TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 28(2))	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	216.78	351.85
<b>Total</b>	<b>216.78</b>	<b>351.85</b>

**NOTE NO: 16 OTHER FINANCIAL LIABILITIES-CURRENT**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long- term debt*	19.00	108.23
Unpaid & Unclaimed Dividends**	3.50	3.70
Other Payables		
Security Deposits	47.86	48.98
Accrued expenses	76.10	88.49
Bank overdraft as per books	—	108.57
Others	1.18	1.76
<b>Total</b>	<b>147.64</b>	<b>359.73</b>

\* Refer note no. 14 (a) & (b) for nature of securities and terms of repayment respectively.

\*\* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

**NOTE NO: 17 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues	8.29	33.63
<b>Total</b>	<b>8.29</b>	<b>33.63</b>

**NOTE NO: 18 PROVISIONS-CURRENT**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits (Refer note 28(3))		
Gratuity	8.56	18.63
<b>Total</b>	<b>8.56</b>	<b>18.63</b>

**NOTE NO: 19 CURRENT TAX LIABILITIES (NET)**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Taxation	224.81	167.96
Less : Tax deducted at source and Advance tax	214.66	132.21
<b>Total</b>	<b>10.15</b>	<b>35.75</b>

**NOTE NO: 20 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Sale of services*</b>		
Distribution services	394.10	571.33
Broking services	522.89	703.36
Depository services	28.76	34.83
Advisory services	15.11	227.50
	<b>960.86</b>	<b>1,537.02</b>
<b>Other operating revenues</b>		
Profit on sale of investments	74.39	24.37
Dividend on long term investments	0.05	0.10
Interest Income on financial assets carried at amortised costs		
On fixed deposits	27.59	25.20
On margin deposits	6.76	14.47
On late payment from clients	55.64	70.21
<b>Revenue from Contract with Customers</b>	<b>1,125.29</b>	<b>1,671.37</b>

\* Disaggregated revenue information as per Ind AS 115 is given in Notes 28.5.

**NOTE NO: 21 OTHER INCOME**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Other non-operating income</b>		
Miscellaneous income	4.16	0.22
Fair value gain on investments measured at FVTPL	74.66	84.80
Liabilities written back	2.36	—
<b>Total</b>	<b>81.18</b>	<b>85.02</b>

**NOTE NO: 22 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and allowances	342.17	297.50
Contribution to Provident & Other funds	5.16	16.09
Staff welfare expenses	12.28	12.62
<b>Total</b>	<b>359.61</b>	<b>326.21</b>

**NOTE NO: 23 FINANCE COST**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Interest expenses</b>		
On long term borrowings	9.35	15.19
On short term borrowings	14.83	11.85
On delayed payment of Advance tax	7.12	—
Other borrowing cost	0.01	0.04
<b>Total</b>	<b>31.31</b>	<b>27.08</b>

**NOTE NO: 24 DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation / Amortisation (Refer Note no. 4)	28.26	22.93
<b>Total</b>	<b>28.26</b>	<b>22.93</b>

**NOTE NO: 25 OTHER EXPENSES**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Brokerage and commission	98.48	187.99
Broker Note Stamp	39.23	44.92
Connectivity charges	16.54	13.43
Computer Expenses	18.05	19.56
Corporate Social Responsibility Expense	5.00	—
Director Sitting Fess	6.13	4.25
Electricity expenses	18.76	18.76
Insurance Expenses	0.74	0.29
Legal & Professional Fees	62.45	103.81
Meetings & Seminar Expeenses	43.77	14.65
Rent	63.82	54.99
Rates and taxes	3.53	1.71
Repairs	13.56	10.17
Research Expenses	14.01	20.49
Bad debt written off	0.97	45.34
Payment to auditors		
As auditor for statutory audit	1.12	1.12
For tax audit	0.30	0.30
For other services	0.25	0.25
Subscription	19.31	8.56
Service Charges	6.42	7.80

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Transaction Charges	20.04	28.38
Travelling Expenses	34.73	46.12
Vehicle Expenses	8.12	9.10
Miscellaneous Expenses	47.26	62.64
<b>Total</b>	<b>542.59</b>	<b>704.63</b>

**NOTE NO: 26 INCOME TAX**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Current tax</b>		
Tax for earlier year	—	2.76
Current Tax	58.92	167.58
Deferred tax	1.35	(5.21)
<b>Total</b>	<b>60.27</b>	<b>165.13</b>

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows:

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before income taxes	244.69	675.54
Effective MAT rate	20%	20%
Computed expected tax expense	49.04	135.38
Tax effect on net amount transferred to other equity at the time of adoption of Ind AS	9.60	9.60
Net Tax effect on other comprehensive income	0.28	0.15
Other adjustments	-	22.45
	<b>58.92</b>	<b>167.58</b>

**NOTE NO: 27 EARNINGS PER SHARE**

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Amount used as the numerator (₹ in lakh)	184.43	510.41
Profit for the year - (A)		
b) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings per share* - (B)	43,99,400	49,72,231
c) Weighted average number of equity shares outstanding used as the denominator for computing Diluted earnings per share* - (C)	43,99,400	49,72,231
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic earnings per share (₹) (A/B)	4.19	10.27
f) Diluted earnings per share (₹) (A/C)	4.19	10.27

\* The weighted average number of shares takes into account the weighted average effect of changes in number of shares due to Buy-Back of shares.

## NOTE NO: 28 OTHER DISCLOSURES

### 1. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>I. Contingent liabilities:</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
Service tax demand -under appeal	6.33	6.33
Income tax demand- under appeal	0.42	0.42
	<b>6.75</b>	<b>6.75</b>
<b>II. Commitments</b>		
Estimated amount of contract remaining to be executed on Capital account and not provided for	17.50	—
Advance paid against above	5.00	—

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

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

- The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2019 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31st March 2018 - Nil).

### 3. Employee Benefits:

As per Indian Accounting Standard - 19 “Employee Benefits”, the disclosures of Employee Benefits are as follows:

#### a) Defined Contribution Plan:

The Company has no legal and constructive obligation to pay or make any contribution towards provident fund and ESIC for employees as the salaries of employees are above the statutory limit. However, the company makes contribution of Administrative charges for maintaining provident fund account of the employees.

#### b) Defined Benefit Plans:

##### i) Description of Plans

The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of service is entitled to specific benefit. The Gratuity Plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits provided depends on the member's length of service and salary at retirement age etc.

Gratuity Benefits are funded in nature. The company has opted for a Group Gratuity cum Life Assurance Scheme of Aditya Birla Sun Life Insurance Company Limited. The liabilities arising in the defined benefit schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the said plan:

**ii) Details of funded post retirement plans are as follows:**

(₹ in Lacs)

Particulars	Gratuity	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I. Components of Employer Expense</b>		
<b>I.1 Expenses recognised in the Statement of Profit and Loss:</b>		
Current service cost	4.37	3.74
Past service cost	—	12.15
Interest cost	0.70	0.11
Curtailment	—	—
Settlement	—	—
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>5.07</b>	<b>16.00</b>
<b>I.2 Remeasurements recognised in Other comprehensive income</b>		
Actuarial gain / (loss) arising from:		
- change in demographic assumptions	—	—
- change in financial assumptions	—	—
- changes in experience adjustments	(3.95)	(4.18)
- changes in asset ceiling (excluding interest income)	—	—
(Returns)/loss on plan assets excluding amounts included in Net interest cost	0.46	1.56
<b>Components of defined benefit costs recognised in Other comprehensive income</b>	<b>(3.49)</b>	<b>(2.62)</b>
<b>Total defined benefit cost recognised in Profit and Loss and Other comprehensive income</b>	<b>1.58</b>	<b>13.38</b>
<b>II. Change in present value of defined benefit obligation:</b>		
Present value of defined benefit obligation at the beginning of the year	57.01	35.94
Interest expense	4.14	2.63
Past service cost	—	12.15
Current service cost	4.37	3.74
Benefits paid	(3.58)	(1.63)
Actuarial gain / (loss) arising from:		
- change in financial assumptions	—	—
- changes in experience adjustments	3.95	4.18
<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>65.89</b>	<b>57.01</b>
<b>III Change in fair value of plan assets during the year:</b>		
Plan assets at the beginning of the year	38.39	32.92
Interest income	3.44	2.52
Employers' contributions	18.62	3.02
Benefits paid	(3.58)	(1.63)
Re-measurement (Returns on plan assets excluding amounts included in interest income)	0.46	1.56
<b>Fair Value of Plan Assets at the end of the year</b>	<b>57.33</b>	<b>38.39</b>
<b>IV. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:</b>		
Present value of Defined Benefit Obligation	65.89	57.01
Fair value of Plan Assets	57.33	38.39
Funded Status [Surplus/(Deficit)]	8.55	18.61

(₹ in Lacs)

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
<b>Net Asset / (Liability) recognised in Balance Sheet</b>		
Current liability	8.55	18.63
Non-current liability	—	—
<b>V. Actuarial Assumptions:</b>		
Discount Rate (% p.a.)	7.50%	7.50%
Expected return on Plan Assets (% p.a.)	7.50%	7.50%
Expected Rate of Salary increase (% p.a.)	5.00%	5.00%
Retirement/Superannuation Age (Year)	58	58
Mortality Rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
<b>VI. Major Category of Plan Assets as a % of the Total Plan Assets as at the year end:</b>		
Administered by Insurance Companies	100%	100%
<b>VII. Maturity Profile of Defined Benefit Obligation Expected cash flows (valued on undiscounted basis):</b>		
Year 1	1.29	4.07
Year 2	20.68	1.27
Year 3	4.67	20.28
Year 4	1.37	4.49
Year 5	10.44	1.34
Next 5 years	41.22	41.45
<b>Total expected payment</b>	<b>79.67</b>	<b>72.90</b>
The average duration of the defined benefit plan obligation at the end of the balance sheet date (in years)	8 years	8 years
<b>VIII. Sensitivity analysis on Present value of Defined Benefit Obligations:</b>		
<b>Discount rates</b>		
1% Increase	(4.64)	(4.35)
1% Decrease	5.39	5.06
<b>Expected rates of salary increases</b>		
1% Increase	4.53	4.10
1% Decrease	(4.02)	3.63
<b>Withdrawal Rate</b>		
1% Increase	1.50	1.42
1% Decrease	(1.72)	(1.63)
<p>The sensitivity analyses above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.</p> <p>All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.</p>		

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
<b>IX. Experience adjustments on Present value of Defined Benefit Obligation and Plan Assets are as follows:</b>		
Present value of Defined Benefit Obligation	65.89	57.01
Fair value of Plan Assets	57.33	38.39
(Deficit)/Surplus	8.55	18.61
Experience adjustment of Plan Assets [Gain/(Loss)]	—	—
Experience adjustment of Obligations [(Gain)/Loss]	(3.95)	(4.18)

**iii) Risks related to defined benefit plans:**

The main risks to which the Company is exposed in relation to operating defined benefit plans are

- Investment risk:** As the plan assets include significant investment in units of mutual funds, the company is exposed to risk of impacts arising changes in Net Asset Value of mutual funds.
- Mortality risk:** The assumptions adopted by the Company make allowances for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increase in the plan's liabilities. In order to minimise this risk, mortality assumptions are reviewed on a regular basis.
- Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.
- Salary cost inflation risk:** The present value of the defined benefit plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**iv) Asset - liability management and funding arrangements**

The trustees are responsible for determining the investment strategy of plan assets. The overall investment policy and strategy for Company's funded defined benefit plan is guided by the objective of achieving an investment return which, together with the contribution paid is sufficient to maintain reasonable control over various funding risks of the plan.

**v) Other disclosures:**

- The following are the assumptions used to determine the benefit obligation
  - Discount rate:** The yield of government bonds are considered as the discount rate. The tenure has been considered taking into account the past long term trend of employees' average remaining service life which reflects the average estimated term of the post - employment benefit obligations.
  - Rate of escalation in salary :** The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
  - Rate of return on plan assets:** Rate of return for the year was the average yield of the portfolio in which Company's plan assets are invested over a tenure equivalent to the entire life of the related obligation.
  - Attrition rate :** Attrition rate considered is the management's estimate based on the past long- term trend of employee turnover in the Company.
- The Gratuity and Provident Fund expenses have been recognised under "Contribution to Provident and Other Funds" under "Salaries and Allowances" under Note No. 22.

#### 4. Operating Segment information

The Company is primarily engaged in a single business segment of Broking & Dealing in Securities and related services. All the activities of the company revolves around the main business. As such there are no separate reportable segments as per Ind AS - 108 "Operating Segment".

The Company earns its entire "revenue from external customers" in India being Company's country of domicile. All the assets are located in India. During the year revenue from no single customer amounted to more than 10% of the total revenue (31st March 2018 - ₹ 190 Lacs).

#### 5 Disclosure as per IND AS 115 Revenue from Contract with Customers

##### Disaggregated revenue information:

(₹ in Lacs)

Types of services	2018-19	2017-18
Distribution services	394.10	571.33
Broking services	522.89	703.36
Depository services	28.76	34.83
Advisory services	15.11	227.50
<b>Total revenue from contract with customers</b>	<b>960.86</b>	<b>1,537.02</b>

(₹ in Lacs)

Types of customers	2018-19	2017-18
Financial Institutions	642.21	818.89
Retail customers	318.65	718.13
<b>Total revenue from contract with customers</b>	<b>960.86</b>	<b>1,537.02</b>

(₹ in Lacs)

Timing of goods or service	2018-19	2017-18
Services transferred at a point in time	960.86	1,537.02
<b>Total revenue from contract with customers</b>	<b>960.86</b>	<b>1,537.02</b>

(₹ in Lacs)

Contract Balances	31-03-2019	31-03-2018
Trade receivables (Refer Note 9)	209.05	337.77
Trade payables (Refer Note 15)	216.78	351.85
Revenue recognised out of Contract Liabilities at beginning of reporting period	—	—
Revenue recognised out of Performance obligation performed during previous year	—	—

#### 6. Related party disclosures:

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

- i) **Key Managerial Personnel** : Naresh Pachisia, Managing Director  
(KMP) : Nikunj Pachisia, Director

##### iii) Other related parties

Close members of KMP

- Naresh Pachisia : Manju Pachisia (Wife)  
: Nikunj Pachisia (Son)  
: Kanupriya Pachisia (Son's wife)  
: Vaibhav Pachisia (Son)

**Significant influence entities:** Naresh Pachisia & Sons (HUF)

: Nikunj Pachisia (HUF)

: SKP Commodities Limited

**b) Transactions with Related parties:**

(₹ in Lacs)

Nature of transaction / Name of the related party	Significant influence entities	KMP	Close Members of KMP	Total
<b>i) Compensation/Remuneration of KMP</b>				
Naresh Pachisia	—	50.00	—	50.00
	—	(50.00)	—	(50.00)
Nikunj Pachisia	—	24.00	—	24.00
	—	(22.00)	—	(22.00)
<b>ii) Rendering of services</b>				
Brokerage Earned	0.04	0.22	0.02	0.28
	(0.04)	(0.62)	(0.10)	(0.76)
Demat Charges Received	0.02	0.05	0.02	0.09
	(0.02)	(0.04)	(0.02)	(0.08)
<b>iii) Receiving of services</b>				
SKP Commodities Ltd.	12.00	—	—	12.00
	(9.00)	—	—	(9.00)
<b>iii) Sale of Shares</b>				
Naresh Pachisia	—	—	—	—
	—	(112.38)	—	(112.38)
Nikunj Pachisia	—	—	—	—
	—	(1.76)	—	(1.76)
Manju Pachisia	—	—	—	—
	—	—	(59.70)	(59.70)
Vaibhav Pachisia	—	—	—	—
	—	—	(1.76)	(1.76)
<b>iv) Outstanding balances</b>	—	—	—	—
	—	—	—	—

**c) Details of Remuneration paid/payable to KMP:**

(₹ in Lacs)

Particulars	Naresh Pachisia		Nikunj Pachisia		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Short-term employee benefits:</b>						
Salary	50.00	50.00	24.00	22.00	74.00	72.00
<b>Post-employment benefits:</b>						
Contribution to Provident Fund and other Funds	—	—	—	—	—	—

- d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- e) The remuneration of Directors is determined by the Nomination and Remuneration Committee of the Board of Directors considering the performance of individuals and market trends.
- f) Figures in brackets pertain to previous year.

**7. Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

There are no transactions which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements), 2015.

**8. Details of Loans, guarantee and Investments covered under section 186 (4) of the Companies Act, 2013:**

The particulars of Investments made are given under “Non - current investments” and “Current investments” in Note No. 5.

There is no loan and guarantee given.

**9. Lease disclosure**

**Operating lease taken**

The Company’s significant leasing arrangements is in respect of operating leases for office premises. These leasing arrangements which are cancellable at the option of the Company range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as ‘Rent’ under Note 25.

With regard to these operating leases for premises, the future minimum rentals are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	39.54	39.27
More than one year and not later than five years	203.39	217.44
Later than five years	18.16	23.47
<b>Total</b>	<b>261.09</b>	<b>280.18</b>

**10. Dividend remitted in foreign currency :**

The Company has not remitted any amount in foreign currency on account of dividend during the current year or previous year.

**11. Financial instruments - Accounting, Classification and Fair value measurements**

**A. Financial instruments by category**

As at 31st March, 2019

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
<b>(1) Financial assets</b>							
(a) Investments	5	1,731.12	—	—	1,731.12	1,731.12	
(b) Trade and other receivables	9	209.05	209.05	—	—	209.05	
(c) Cash and cash equivalents	10	65.41	65.41	—	—	65.41	
(d) Bank balances other than cash and cash equivalents	11	249.57	249.57	—	—	249.57	
(e) Other financial assets	6	607.12	607.12	—	—	607.12	
<b>Total</b>		<b>2,862.27</b>	<b>1,131.15</b>	<b>—</b>	<b>1,731.12</b>	<b>2,862.27</b>	

<b>(2) Financial liabilities</b>						
(a) Borrowings	14	22.45	22.45	—	—	22.45
(b) Trade and other payables	15	216.78	216.78	—	—	216.78
(c) Other financial liabilities	16	147.64	147.64	—	—	147.64
<b>Total</b>		<b>386.87</b>	<b>386.87</b>	<b>—</b>	<b>—</b>	<b>386.87</b>

As at 31st March, 2018

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
<b>(1) Financial assets</b>							
(a) Investments	5	1,856.95	—	—	1,856.95	1,856.95	
(b) Trade and other receivables	9	337.77	337.77	—	—	337.77	
(c) Cash and cash equivalents	10	102.78	102.78	—	—	102.78	
(d) Bank balances other than cash and cash equivalents	11	489.45	489.45	—	—	489.45	
(e) Other financial assets	6	412.07	412.07	—	—	412.07	
<b>Total</b>		<b>3,199.02</b>	<b>1,342.07</b>	<b>—</b>	<b>1,856.95</b>	<b>3,199.02</b>	
<b>(2) Financial liabilities</b>							
(a) Borrowings	14	147.48	147.48	—	—	147.48	
(b) Trade and other payables	15	351.85	351.85	—	—	351.85	
(c) Other financial liabilities	16	359.73	359.73	—	—	359.73	
<b>Total</b>		<b>859.06</b>	<b>859.06</b>	<b>—</b>	<b>—</b>	<b>859.06</b>	

## B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of cash and cash equivalents, other bank balances, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using adjusted net asset value method. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

The fair value of investment in mutual funds has been determined based on quotes from mutual funds/ Asset management companies during the year.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2.

The following tables provide the fair value hierarchy of the Company's assets measured at fair value on a recurring basis:

(i) Financial assets measured at fair value on a recurring basis as at 31st March, 2019:

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Level 1	Level 2	Level 3	Total
<b>A.</b>	<b>Financial assets</b>					
	Investments	5	1,729.12	–	2.00	1,731.12
	<b>Total financial assets</b>		<b>1,729.12</b>	<b>–</b>	<b>2.00</b>	<b>1,731.12</b>

(ii) Financial assets measured at fair value on a recurring basis as at 31st March, 2018:

(₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Level 1	Level 2	Level 3	Total
<b>A.</b>	<b>Financial assets</b>					
	Investments	5	1,472.45	–	384.50	1,856.95
	<b>Total financial assets</b>		<b>1,472.45</b>	<b>–</b>	<b>384.50</b>	<b>1,856.95</b>

Description of significant unobservable inputs to valuation:

The following table shows the valuation technique and inputs for financial instruments:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments in equity shares	Adjusted net asset method	

## 12. Financial risk management objectives and policies

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

### (a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under financial instrument or a customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivable and security deposit with exchanges and from its financing activities including deposits placed with bank and financial institutions and other financial instruments/assets.

Credit risk from balances with bank and other financial instrument is managed in accordance with company's policies according to which Surplus funds are parked only in approved investment

categories with well defined limits. Investment category is periodically reviewed by the Board of Directors of the Company.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by credit rating agencies

Other financial assets measured at amortized cost includes loans to employees, security deposits and others. Credit risk related to these financial assets are managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system is in place to ensure that the amounts are within defined limits.

Customer credit risk is managed as per company's established policy, procedure and control related to credit risk management. Credit quality of the customer is assessed based on his previous trackrecord and funds & securities held by him in his account and individual credit limit are defined according to this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under Note No. 9.

The Company assesses and manages credit risk of financial assets on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company provides for expected credit loss on Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets based on 12 months expected credit loss/life time expected credit loss/ fully provided for. Life time expected credit loss is provided for trade receivables.

The ageing analysis of the receivables are:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Upto 6 months	167.30	307.26
6 to 12 months	4.50	7.74
More than 12 months	37.25	22.77
<b>Total</b>	<b>209.05</b>	<b>337.77</b>

#### (b) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligation on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

The tables below summarises the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lacs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
<b>31st March, 2019</b>				
Borrowings (excluding interest)	19.09	22.36	—	41.45
Trade payables	216.78	—	—	216.78
Other financial liabilities	128.64	—	—	128.64
<b>Total</b>	<b>364.51</b>	<b>22.36</b>	<b>—</b>	<b>386.87</b>
<b>31st March, 2018</b>				
Borrowings (excluding interest)	214.35	41.36	—	255.71
Trade payables	351.85	—	—	351.85
Other financial liabilities	251.50	—	—	251.50
<b>Total</b>	<b>817.70</b>	<b>41.36</b>	<b>—</b>	<b>859.06</b>

**(c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market rate risk comprises of currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

**Foreign currency risk**

Foreign currency risk is the risk of impact related to fair value of future cash flows if an exposure in foreign currency, which fluctuate due to change in foreign currency rate. The Company has no international transactions and is not exposed to foreign exchange risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rate.

**i) Liabilities**

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company has no variable rate borrowings.

**ii) Assets**

The company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Price risk**

Price risk is the risk that the fair value of financial instrument will fluctuate due to change in market traded price.

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

### 13. Capital Management

#### (a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders and maintain an optimal capital structure to reduce the cost of Capital.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (Buy-Back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2019 and 31st March, 2018.

(₹ in Lacs)

Particulars	31st March, 2019	31st March, 2018
Net debt*	—	364.28
Total equity	2,908.00	2,726.09
<b>Net debt to equity ratio</b>	—	0.13

\* Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

#### (b) Dividend

No Dividend has been proposed during the previous two financial years

14. The previous year's including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration Number - 302082E

For and on behalf of the Board

**Naresh Pachisia**  
Managing Director  
DIN:00233768

**Nikunj Pachisia**  
Whole-time Director  
DIN: 06933720

**CA. Rakesh Kumar Singh**

Partner

(Membership No. 066421)

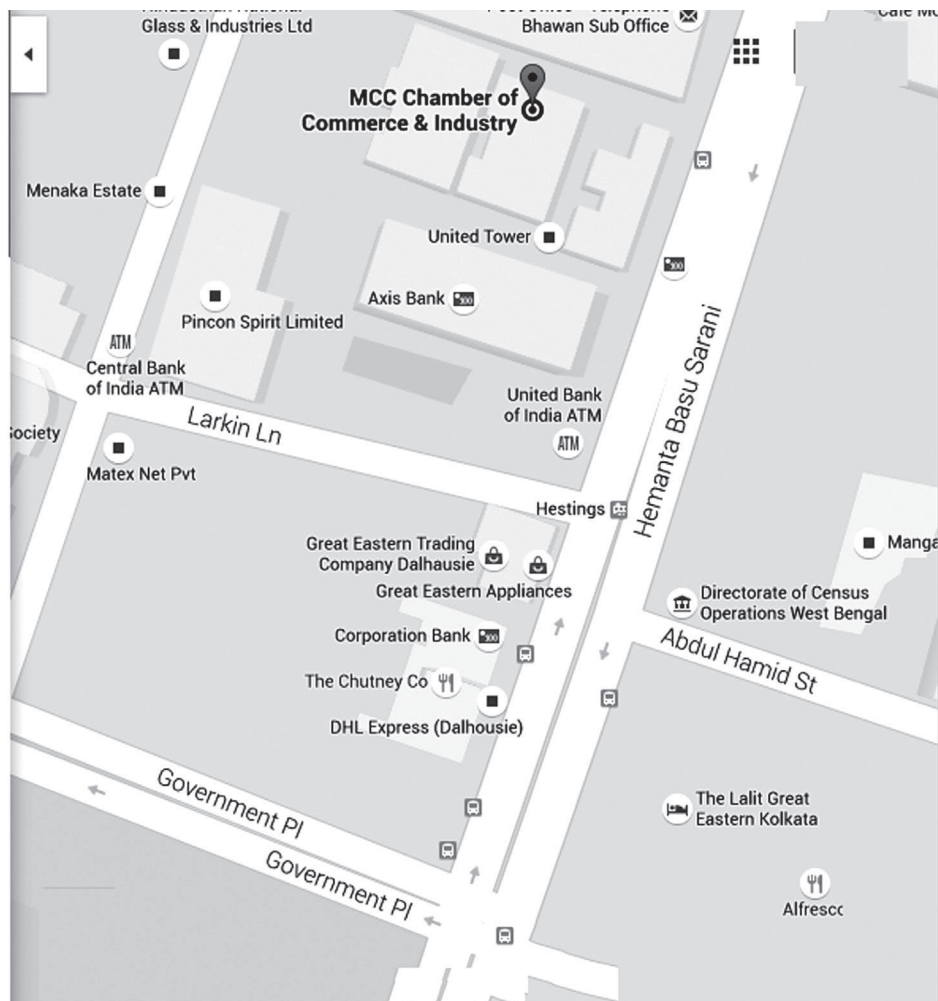
Place of Signature: Kolkata

Date: 27th April, 2019

**Anil Shukla**  
Chief Financial Officer  
PAN: AKLPS0016P

**Alka Khetawat**  
Company Secretary  
Membership No. 47322

## Route Map to the AGM Venue



**SKP SECURITIES LIMITED**

**CIN NO: L74140WB1990PLC049032**

**Registered Office: Chatterjee International Centre, Level 21,  
33A, Jawaharlal Nehru Road, Kolkata - 700071**

**Tel.: +91 33 40077000 • Fax : +91 33 40077007**

**E-mail: cs@skpsecurities.com • Website: www.skpsecurities.com**

**ADMISSION SLIP**

To be handed over at the entrance of the Meeting Hall

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

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

I hereby record my presence at the 29th Annual General Meeting of the Members of SKP Securities Limited at Merchants' Chamber of Commerce & Industry, 15B, Hemant Basu Sarani, Kolkata - 700001 on Saturday, 27th July 2019, at 10:15 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 2018-19 at the Meeting Hall

**SKP SECURITIES LIMITED**

**CIN NO: L74140WB1990PLC049032**

**Registered Office: Chatterjee International Centre, Level 21, 33A, Jawaharlal Nehru Road, Kolkata - 700071**

**Tel.: +91 33 40077000, Fax : +91 33 40077007, E-mail: cs@skpsecurities.com, Website: www.skpsecurities.com**

**PROXY FORM**

**Form No. MGT-11**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]*

Name of the member(s): .....

Registered Address: .....

Email ID: ..... Folio No/Client ID/DP ID: .....

I/We, being the holder(s) of SKP Securities Ltd, holding ..... shares, hereby appoint:

1. Name: ..... Address: .....

E-mail ID: ..... Signature: .....

2. Name: ..... Address: .....

E-mail ID: ..... Signature : .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company held at Merchants' Chamber of Commerce & Industry, 15B, Hemant Basu Sarani, Kolkata – 700 001 on Saturday, 27th July 2019, at 10:15 A.M in respect of such resolutions as are indicated below:

Sr. No.	Resolution		
	Ordinary Business	For	Against
1.	Adoption of Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March 2019, together with the Reports of the Board of Directors and the Statutory Auditors thereon		
2.	Re-appointment of Mrs. Manju Pachisia (DIN: 00233821) Non-Executive/Non-Independent Director, who retires by rotation and being eligible, offers herself for reappointment		
	<b>Special Business</b>		
3.	Appointment of Mr. Saurabh Sonthalia (DIN:01355617) as a Non-Executive Independent Director		
4.	Re-appointment of Mr. Ravi Todi (DIN: 00080388) as a Non-Executive Independent Director		

Signed this.....day of.....2019

Affix  
revenue  
stamp of  
₹ 1

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of proxy holder(s)

**Note:** This instrument of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## The SKP Hall of Fame Awards Ceremony 2018



### Celebrations @ SKP



### The SKP Family Day Out



