



SKSE

Annual Report 2013-14

SAURASHTRA KUTCH STOCK EXCHANGE LTD. (De-recognized)*

"POPATBHAI SORATHIA BHAVAN", SADAR BAZAR, RAJKOT – 360 001

PHONE: 2442145, 2475721 FAX: 0281-2477576, CIN:U67110GJ2005PLC45694

Web site : www.skse.com

COUNCIL OF MANAGEMENT

Broker Directors

Mr. V. P. Vaishnav
Mr. Sunil C. Shah
Mr. Hasmukhrai H. Baldev

Bankers

Bank of India, Rajkot
Panchnath Branch
Nr. Moti Tanki Chowk
Rajkot-360001

Public Representative

CS Dharmendra Ganatra – Practicing Company Secretary
CA Ankit Y. Anadkat – Practicing Chartered Accountant
Mr. Atulkumar Sanghvi – Advocate
Mr. Dhaval I. Khakhar – Advocate
Mr. G. L. Ramani- Advocate
Mr. Bhaskar Joshi – Advocate
Mr. Parag N. Shah – Advocate
Mr. Rajendra R. Raval - Practicing Chartered Accountant

Auditors

M/s Kotak Mandavia & Co.,
201, Orbit, 2nd Floor,
Moti Tanki Chowk,
Rajkot Gujarat 360001.

General Manager

Mr. Chirag B. Dedakia

* The Words "Saurashtra Kutch Stock Exchange Limited"
wherever occurred in this document,
should be read as "Saurashtra Kutch
Stock Exchange Limited (De-recognized)".



NOTICE

NOTICE is hereby given that **25th ANNUAL GENERAL MEETING** of the Members of **SAURASHTRA KUTCH STOCK EXCHANGE LIMITED(De-recognized)** (hereinafter referred to as "the Exchange") will be held on Saturday of **27th September 2014 at 11:00 A.M.** at the Registered office of the Exchange situated at "Popatbhai Sorathia Bhavan", Sadar Bazar, Rajkot - 360 001 to transact the following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Balance Sheet as on 31st March 2014, Profit & Loss Account for the year ended on that date, Auditors and Directors' Report thereon.
02. To appoint a Broker Director on the Council of Management in place of Mr V. P. Vaishnav who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Public Representative Director on the Council of Management in place of Mr Dharmendra Ganatra who retires by rotation.
04. To appoint the Auditor and to fix their remuneration and in this connection 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), M/s. KOTAK MANDAVIA & Co., (Firm Registration no. 105279W), Chartered Accountants, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the financial year 2016-17, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors, plus applicable service tax and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit."

05. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to provision of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing Articles of Association of the Company be and are hereby replaced, altered, modified and revised as per new set of Articles of Association (Articles), a copy of which is submitted to this meeting and that the Regulations contained in the said new set of Articles be and are hereby approved and adopted as the Articles of Association of the Company and they be the Regulations of the Company in place, in substitution and to the entire exclusion of the existing Articles of Association."



RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be deemed necessary, proper or expedient to give effect to the aforesaid resolution."

**For and on behalf of Council of Management
For SAURASHTRA KUTCH STOCK EXCHANGE LTD.(E)**

**PLACE : RAJKOT
DATE : 01-09-2014**

Sd/-
Chirag B. Dedakia
General Manager

NOTES:

- 1) A member entitled to attend and vote at the annual general meeting is entitled, to appoint a proxy to attend and vote at the annual general meeting and such proxy need not be a member of the company. The proxies in order to be valid and effective must be delivered to the registered office of the company at least forty-eight hours before the commencement of the annual general meeting.
- 2) The explanatory statement pursuant to section 102(2) of the companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
- 3) Members/Proxies are requested to produce attendance slip duly filled in and signed at the entrance of the venue of the Meeting.
- 4) Corporate members are requested to forward to the Company, in advance, a certified copy of the Board Resolution authorizing any person to attend the meeting and to exercise such other rights along with duly attested signature of such person.
- 5) Members seeking any information with regard to accounts are requested to write to the company at an early date, preferably at least seven days prior to the date of meeting, so as to enable the management to keep the information ready.
- 6) All documents referred to in the Notice and accompanying explanatory statement are open for inspection at registered office of the company on all working days of the company between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting and at the venue of the meeting for the duration of the meeting.



EXPLANATORY STATEMENT:

As required by section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under item No.5 of the accompanying Notice dated 01-09-2014

EXPLANATORY STATEMENT PURSUANT TO PROVISION OF SECTION 102 OF THE COMPANIES ACT, 2013

Saurashtra Kutch Stock Exchange Ltd. is de-recognized since 2007 and on 5th April, 2013, SEBI has issued Exit Order to Saurashtra Kutch Stock Exchange Ltd. Vide its '2012 Exit Circular'. In the Exit order, SEBI has directed to change the name of the Company and asked not to use the expression "Stock Exchange" or any variant of this expression in its name and to avoid any representation of present or past affiliation with the stock exchange, in all media. Hence Articles incorporated by instruction of SEBI became redundant and required to be changed. In furtherance Companies Act, 2013 came into force and new set of Articles in line with Companies Act, 2013 are to be incorporated.

Board has decided to amend the whole Articles of Association by adopting new sets of Articles. Draft Copy containing new sets of Articles of Association of the Company is available for Inspection during the Annual General Meeting of the Shareholders of the Company.

Pursuant to provision of section 14 of the Companies, Act, 2013, Articles of Association can be altered with the approval of Members of the Company by passing Special Resolution

Hence your directors recommend the aforesaid Special Resolution for approval of the Members.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

**By Order of the Council of Management
For, Saurashtra Kutch Stock Exchange Ltd**

Sd/-

Chirag B. Dedakia
General Manager

PLACE : RAJKOT

DATE : 01-09-2014

**DIRECTORS' REPORT**

To,
The Members,
Saurashtra Kutch Stock Exchange Limited,
Rajkot.

The Council of Management is pleased to present the 25th Annual Report of the Exchange along with the Audited Statements of Accounts for the year ended on 31st March, 2014.

The financial highlights of the Exchange for the year ended on 31st March, 2014 with the comparative details of the year ended on 31st March, 2013 is produced below:

FINANCIAL HIGHLIGHTS

Sr. No.	PARTICULARS	2013 - 14	2012 - 13
1	Revenue Receipts	00/-	11,817/-
2	Other Income	89,53,593/-	1,31,63,303/-
3	Total Income (1+2)	89,53,593/-	1,31,75,120/-
4	Profit/(Loss) before Interest Depreciation and Tax	18,74,739/-	19,21,772/-
5	Less: Interest and Financial Charges	2637/-	738/-
6	Less : Depreciation	13,24,436/-	14,82,420/-
7	Profit/(Loss) for the year	5,47,666/-	4,38,614/-
8	Provision for Taxation (including FBT and Deferred Tax Assets)	(2,11,310)/-	(41,334/-)
9	Profit(Loss) after Tax	7,58,976/-	4,79,948/-
10	Balance Carried to Balance Sheet (11-12 +10)	2,92,63,720/-	2,85,04,744/-

Status and Performance of Subsidiary Company SKSE Securities Limited

The Audited statement of accounts for the year ended on March 31, 2014, of SKSE Securities Ltd., Stock Exchange's subsidiary together with the report of the Directors and the auditors, as required under Section 129 of the Companies Act, 2013 are attached herewith.

The Turnover of the subsidiary, SKSE Securities Ltd, in the various segments is as follows;

Ø The Turnover of company for the period from 01.04.2013 to 31.3.2014 is as under: BSE:- Rs. 3783 Crores, NSE (Cash) : Rs. 384.42 Crores, and NSE (F & O) : Rs. 2905.16 Crores, Total Rs.



7072.61 Crores

Council of Management.

- 1) Mr. J. J. Trivedi has resigned from directorship of the company and the Council of Management, in its meeting dated 01st November 2013 accepted his resignation
- 2) Mr. Haresh B. Dave has resigned from directorship of the company and the Council of Management, in its meeting dated 01st November 2013 accepted his resignation
- 3) Mr. Upendra Modi has resigned from directorship of the company and the Council of Management, in its meeting dated 01st November 2013 accepted his resignation
- 4) Mr. Kamlesh Shah has resigned from directorship of the company and the Council of Management, in its meeting dated 01st November 2013 accepted his resignation
- 5) Mr. G. L. Ramani was appointed as Additional Director on the Council of Management, with effect from 04th January, 2014 holds office till the ensuring Annual General Meeting.
- 6) Mr. Bhaskar Joshi was appointed as Additional Director on the Council of Management, with effect from 04th January, 2014 holds office till the ensuring Annual General Meeting.
- 7) Mr. Parag N. Shah was appointed as Additional Director on the Council of Management, with effect from 04th January, 2014 holds office till the ensuring Annual General Meeting.
- 8) Mr. Rajendra R. Raval was appointed as Additional Director on the Council of Management, with effect from 04th January, 2014 holds office till the ensuring Annual General Meeting.
- 9) Mr. V. P. Vaishnav Broker Director retires by Rotation in this Annual General Meeting and Being eligible offer himself for re-appointment.
- 10) Mr. Dharmendra Ganatra public re-presentative director retires by Rotation in this Annual General Meeting.

Particulars of Employees

During the year under review there were no employees who were in receipt of remuneration in excess of the limit prescribed under the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Particulars of Employees) Rules, 1975.

Particulars regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and expenditure

Since Saurashtra Kutch Stock Exchange Ltd. does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

The Company does not have any foreign exchange earnings and expenditure, the particulars in this regard is not given.

Directors' Responsibility Statement:

Pursuant to the requirement under section 217(2AA) of the companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:



- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that they had 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;
- (iv) that they had prepared the annual accounts on a going concern basis

AUDITORS AND THEIR REPORT

M/s. KOTAK MANDAVIA & Co, Chartered Accountant, Rajkot, Statutory Auditors of the Company (FRN No.105279W) retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed.

GOING CONCERN :

Saurashtra Kutch stock Exchange Ltd was incorporated on 28th July, 1989 as a limited liability company and got recognition as a Stock Exchange on 10th July, 1989.

SEBI has withdrawn recognition of our stock exchange as per notification dated 6th July, 2007. In view of this on July 09, 2007 an Application filed in the Securities Appellate Tribunal (SAT) by the SKSE against the order of SEBI withdrawing recognition of the SKSE.

Thereafter on July 13, 2007 Securities Appellate Tribunal (SAT) dismisses the appeal filed by the SKSE Ltd against the order of SEBI withdrawn recognition of SKSE. The SEBI denied the renewal application of the SKSE Ltd., on various pity grounds in response to the renewal application of the SKSE Ltd dated April 4, 2007.

Thereafter the company has filed petition /Special Leave Petition/an appeal over the order of SEBI and SAT at various levels before the High Court of Gujarat and the Hon. Supreme Court of India. Finally/In conclusion the withdrawal of recognition was clear as per the Supreme Court judgment dated 14th March, 2012.

On May 30, 2012 SEBI has issued a circular regarding Exit Policy. As per this Exit



Policy, the stock exchanges which are already de-recognized shall make application for exit within two months from the date of the SEBI circular dated May 30, 2012. As such, we being a de-recognized stock exchange are required to exit by the end of July 2012. But, this time was very short for us to exit as we had to call EGM and other statutory process. Hence, we could not Exit within stipulated period of two months. SEBI therefore advised us for compulsory exit. In this connection SEBI advised us to appoint Valuer out of the list suggested by SEBI. As such our Council of Management appointed M/s H. P. Mehta & Co. on 08/11/2012. They had summated the report directly to SEBI.

As per the report submitted by M/s H. P. Mehta & Co. and personal discussion of our directors with SEBI official, during the financial year 2012-13 we have released to required payment to SEBI.

Thereafter, SEBI has issued us an exit order on 5th April 2013. According to this exit order, we were required to change the name of the Company and also Memorandum of association and Article of Association of the Company. In this connection, company formed a committee Viz. business development Committee and also applied to the concerned ROC for change in name of the Company. As per Exit order now onward no activities as Stock Exchange can be carried out but management has decided to continue the activities to provide broking facilities to its members through its subsidiary company namely SKSE Securities Ltd. Accordingly accounts are prepared as going concern

COMPLIANCE CERTIFICATE:

In accordance with Section 383A of the Companies Act, 1956 read with Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from M/S K.PRACHCHH & CO., Practicing Company Secretaries, and a copy of the same is enclosed herewith.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation to the Investors, Members, SEBI, BSE, NSE, CDSL, ROC, Listed Companies, Service Providers, and Bankers for their support and continued patronage. Your Directors wish to place on record appreciation of the services rendered by all the officers, employees for their hard work and loyalty.

**For and on behalf of Council Of Management
For SAURASHTRA KUTCH STOCK EXCHANGE LTD.**

Sd/-

CS Dharmendra Ganatra
Chairman for the Meeting

PLACE : RAJKOT
DATE : 01-09-2014



COMPLIANCE CERTIFICATE

CIN :U67110GJ2005PLC045694

To,
The Members of
SAURASHTRA KUTCH STOCKEXCHANGE LIMITED. Rajkot

We have examined the registers, records, books and papers of **SAURASHTRA KUTCH STOCK EXCHANGE LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In Our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However some of the forms and returns were filed late with requisite additional fees.
3. The Company being a limited Company this clause is not applicable.
4. The Board of Directors duly met 6 times on 26-04-2013, 27-09-2013, 03-10-2013, 07-10-2013, 01-11-2013 and 04-01-2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 09th November, 2013 (which as per section 210 (5) of the Companies Act, 1956 was required to be held latest by 30th September, 2013) after giving due notice to the members of the Company and the resolutions passed thereat were duly record in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred to under section 295 of Companies Act, 1956 and Section 185 of the Companies Act, 2013.
9. The company has not entered into any contract during the financial year under scrutiny which attracts the provisions of section 297 of the Act.



10. As per the information and explanation given to us, there were no transactions that need to be entered by the company in the register to be maintained under section 301 of the Act.
11. As per the information and explanation provided, no appointment has been made during the financial year under scrutiny which attracts the provision of section 314 of the Act.
12. As informed by the Company officials, the company has not issued duplicate share certificates during the financial year.
13. The Company has :
 - a. delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b. not deposited any amount in separate Bank account as no dividend was declared during the financial year under scrutiny.
 - c. not required to post warrants to any member of the Company as no dividend was declared during the financial year under scrutiny.
 - d. no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a financial year of seven years.
 - e. duly complied with the requirements of section 217 of the Act.
14. As informed by the company officials the Board of Directors of the Company is duly constituted.
15. The Company has not appointed any Managing Director/Whole-Time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company had applied to the Registrar of Companies, Gujarat for extension of time for holding Annual General Meeting of the Company by three months under section 166(1) of the Act on 05-09-2013 which was rejected on 07-09-2013. Therefore the Company has, suomoto, filed application u/s 621A for Compounding of this offence with the Regional Director, North Western Region, Ahmedabad on 25-03-2014 for doing needful and the application is still pending. The Company was not required to obtain any other approvals of Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. As informed by the Management the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial under scrutiny.



20. The Company has not bought back any shares during the financial ending 31st March, 2014.
21. The Company has not redeemed any preference shares/ debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted any deposit which attracts the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975, during the financial year under scrutiny.
24. The amount borrowed by the Company from directors, members, public, financial institution, banks and others during the financial year ending 31st March, 2014 are within the borrowing limits of the company.
25. The Company has not given any loans or made investments or guarantees during the financial year under scrutiny under section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the registered office of the Company during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year under scrutiny.
30. The Company has not altered its articles of association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notice received by the company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act
32. The Company has not received any security whatsoever from its employees during the financial year under scrutiny.
33. The Company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

For: K. P. RACHCHH & CO.
Company Secretaries,
Signature :

(CS KALPESH RACHCHH)
Proprietor
C.P. No.: 3974

PLACE : RAJKOT
DATE : 01-09-2014

**ANNEXURE - A**

Registers as maintained by the Company

1. Register of Members u/s 150 and index of Members u/s 151
2. Register of Transfer
3. Register of directors, managing director, manager and secretary u/s 303
4. Register of directors' shareholding u/s 307
5. Register of director's attendance.
6. Minutes Book for the meeting of Board of Directors and Shareholders.

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

Sr. No.	Forms	Purpose	Filed on
1	Form 23AC, ACA	Under Section 220 of the Act	24-01-2014
2	Form 20B	Under Section 159 of the Act	24-01-2014
3	Form 66	Under Section 383A of the Act	29-11-2013
4	Form 32	Under Section 303(2) of the Act	04-01-2014
5	Form 32	Under Section 303(2) of the Act	09-01-2014
6	Form 32	Under Section 303(2) of the Act	01-02-2014
7	Form 61	Under Section 166(1) of the Act	05-09-2013
8	Form 61	Under Section 621(A) of the Act	25-03-2014
9	Form 1A	Under Section 21 of the Act	26-04-2013
10	Form 1A	Under Section 21 of the Act	05-07-2013
11	Form 1A	Under Section 21 of the Act	17-01-2014

For: K. P. RACHCHH & CO.
Company Secretaries,

Signature:

(CS KALPESH RACHCHH)
Proprietor
C.P. No.: 3974

PLACE : RAJKOT
DATE : 01-09-2014



KOTAK MANDAVIA & CO.,
Chartered Accountants



RAJKOT, C/O. KOTAK MANDAVIA & CO.,
201, ORBIT, 2nd FLOOR, MOTI TANKI CHOWK,
RAJKOT GUJARAT 360001. Ph. 0281 - 2483600-01-02

INDEPENDENT AUDITOR'S REPORTS

To,
The Members of,
SAURASHTRA KUTCH STOCK EXCHANGE LTD
RAJKOT

Report on the Financial Statements

We have audited the attached Balance Sheet of **SAURASHTRA KUTCH STOCK EXCHANGE LTD**, **RAJKOT** as at **31st March, 2014**, and also the Profit and Loss Statement of the Company for year ended on that date annexed thereto.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinion

In our opinion, and to the best of our information, according to the explanations given to us and subject to the figures of the loans and advances, deposits received and sundry creditors, which are required to be confirmed and reconciled, the said accounts give the information required by the Companies Act, 1956, in the manner so required and read together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2014**; and
- (ii) In the case of the Profit and Loss Statement, of the profit of the Company for year ended on that date.



KOTAK MANDAVIA & CO.,
Chartered Accountants



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RAJKOT GUJARAT 360001. Ph. 0281 - 2483600-01-02

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure, a statement of the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to in the above paragraph:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and the Profit and Loss Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Statement dealt with by this report comply with the Accounting Standards referred to in sub-section(3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
- e) On the basis of written representations received from the directors as **on 31st March, 2014** and taken on record by Board of Directors, we report that none of the directors is disqualified as on **31st March, 2014** from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

FOR KOTAK MANDAVIA & Co.
Chartered Accountants
ICAI FRN NO.: 105279W

PLACE : RAJKOT
DATE : 01-09-2014

Sd/-
B. P. KOTAK
Partner
MEM. NO. 030449

**ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in paragraph 3 thereof)**

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief in our opinion, we further report that:

1. In respect of Fixed Assets - Clause 4 (i)

- a. The Company has maintained fixed assets register showing full particulars including quantitative details and situation of its fixed Assets, for which quantitative details and situation of its is not available.
- b. As explained to us, most of the fixed assets except office Equipments, Furniture - Fixture and Electrification, have been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the available records. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its Assets.
- c. During the year, the Company has not disposed off substantial part of fixed assets. However, old electric fitting items, old computer & peripherals, old office furniture & old office equipments were sold as scrap during the period under review

2. In respect of Inventories - Clause 4 (ii)

Considering the activities and nature of services provided by the company, Balance of unsold share transfer forms and share transfer stamps is not considered as a stock-in-trade and as such there is no question of inventories held by the company and therefore this clause is not applicable.

3. In respect of Loans Related to Parties Covered under register maintained U/s. 301 Clause 4 (iii)

According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. Internal Control System - Clause 4 (iv)

According to information and explanations given to us, we are of opinion that there is adequate internal control procedure commensurate with the size of the company and the nature of its business.

5. In respect of Transactions with Parties Covered under register maintained U/s. 301- Clause 4 (v)



In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(v)(a) and (b) of Companies (Auditor's Report) Order, 2003 are not applicable.

6. Acceptance of Deposits - Clause 4 (vi)

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits / unsecured loans falling within purview of provisions of Sections 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975, as amended.

7. Internal Audit System - Clause 4 (vii)

According to information and explanations given to us, we are of opinion, that the company has an internal audit system commensurate with the size and nature of its business.

8. Cost Records U/s. 209 (1) (d) - Clause 4 (viii)

The maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company.

9. In respect of Statutory Dues - Clause (ix) (a) and (b)

(a) Undisputed Dues :

The company is regular in depositing, with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues applicable to it.

(b) Disputed Dues :

(i) Disputed demand position under the E.S.I. Act is as under :

Sr. No.	Nature of Statues	Nature of the Dues	Amount (Rs. in Lacs)	Forum Where Relating Dispute is Pending Period
1	ESI Act	ESI Contribution	0.25	Industrial Tribunal 01-01-93 to 31-03-94
2	ESI Act	ESI Contribution	0.51	Industrial Tribunal 01-01-94 to 31-12-96
3	ESI Act	ESI Contribution	2.96	Industrial Tribunal 01-01-97 to 31-12-03

In case of above demand, closure report has been given, however decision is pending.

**(ii) Disputed demand position under the Service Tax Act is as under :**

Sr. No.	Nature of Statues	Nature of the Dues	Amount (Rs. in Lacs)	Forum Where Relating Dispute is Pending Period
1	Service Tax Act	Service Tax	48.79 (plus interest & penalty)	Tribunal
2	Service Tax Act	Service Tax	7.63 (plus interest & penalty)	Tribunal

Management is hopeful in deciding matter in favour of the company. Since the above stated demands are disputed in appeal, no provision on account of such demand is made.

10. Accumulated Losses and Cash Losses - Clauses 4 (x)

In our opinion, the company does not have accumulated losses at the end of the financial year. It has not incurred cash loss during the financial year under audit. It had not incurred cash loss during the immediately preceding financial year.

11. Dues to Financial Institutions, Banks of Debenture holders - Clause 4 (xi)

According to the information and explanations given to us, we are of opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12. Loans and Advances Granted By Way of Pledge - Clause 4 (xii)

The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. Nidhi / Mutual Benefit Fund / Society / Chit Fund Company - Clause 4 (xiii)

In our opinion, the company is not a chit fund or a nidhi / mutual benefit funds / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14. Dealing in Shares / Securities and other Investments - Clause 4 (xiv)

In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15. Guarantees Given By Company - Clause 4 (xv)

According to the information and explanations given to us, we are of opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



16. Term Loans - Clause 4 (xvi)

The company has not raised fresh term loans during the financial year covered under audit. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

17. Sources of Funds and Its Application - Clause 4 (xvii)

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment & vice versa.

18. Preferential Allotment of Shares - Clause 4 (xviii)

According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act, Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

19. Issue of Debentures - Clause 4 (xix)

According to the information and explanations given to us, the company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

20. Public issue and its end use - Clause 4 (xx)

According to the information and explanations given to us, the Company has not raised any money by public issue. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

21. Frauds - Clause 4 (xxi)

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial year.

PLACE : RAJKOT
DATE : 01-09-2014

FOR KOTAK MANDAVIA & CO.
Chartered Accountants
ICAI FRN No. 105279W

Sd/-
B. P. KOTAK
Partner
MEM. NO. 030449



SKSE

Annual Report 2013-14

SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	NOTES	As at 31st march 2014	As at 31st march 2013
EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUND			
(a) Share Capital	1	1735000	1735000
(b) Reserves & Surplus	2	111133615	110374639
(2) Share application money pending allotment			
		0	0
(3) Non-current Liabilities			
(a) Deferred tax liabilities (Net)	3	5282000	5631310
(b) Other long term liabilities	4	8870873	23454477
(4) Current liabilities			
(a) Short-term borrowings	5	146251	0
(b) Other current liabilities	6	838045	1481556
(c) Short-term provisions	7	389589	3747881
	TOTAL	128,395,373	146,424,863
ASSETS			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		19059352	20465287
(b) Non-current investment	9	46227000	46227000
(c) Other non-current assets	10	277894	3352891
(2) Current assets			
(a) Cash and cash equivalents	11	51005538	60186135
(b) Short-term loans and advances	12	10847514	13619569
(c) Other current assets	13	978075	2573981
	TOTAL	128,395,373	146,424,863

As per our report of even date,

FOR KOTAK MANDAVIA & CO.
Chartered Accountants
ICAI FRN NO. 105279W

PLACE : RAJKOT
DATE : 01-09-2014

Sd/-
B.P. KOTAK
PARTNER
MEM. NO. 030449

FOR
SAURASHTRA KUTCH STOCK EXCHANGE LTD.

DIRECTOR

DIRECTOR

DIRECTOR



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

PARTICULARS	NOTES	As at 31st march 2014	As at 31st march 2013
I Revenue from Operations	14	0	11817
II Other Income	15	8953593	13163303
III Total Revenue (I+II)		8,953,593	13,175,120
IV Expenses:			
Employee benefit expenses	16	1962041	2638433
Finance cost	17	5320	5558
Depreciation	8	1324436	1482420
Other expenses	18	3427777	4106186
	TOTAL EXPENSES	6,719,574	8,232,597
V Profit before exceptional and extraordinary items and tax (III-IV)		2234019	4942523
VI Exceptional items		0	0
VI Profit before extraordinary items and tax (V-VI)		2234019	4942523
VIII Extraordinary items (SEBI Fees)		0	0
Extraordinary items (Retrenchment compensation)		0	1500000
V Profit before tax (III-IV)	TOTAL	547,666	438,614
VI Tax expense			
Provision for Taxation		138000	207000
Short/(Excess)Provision of taxation of earlier years		0	129401
Prov. For Deferred Tax		(349310)	(377735)
	TOTAL EXPENSES	(211,310)	(41,334)
VII Profit/(Loss) for the period from continuing operations (V-VI)			
VIII Profit/(Loss) from discontinuing operations (after tax)		758976	479948
IX Profit/(Loss) for the period (VII+VIII)		0	0
		758,976	479,948
X Earnings per equity share			
Basic and Diluted	19		
		44	28

As per our report of even date,

FOR KOTAK MANDAVIA & CO.
Chartered Accountants
ICAI FRN NO. 105279W

PLACE : RAJKOT
DATE : 01-09-2014

Sd/-
B.P. KOTAK
PARTNER
MEM. NO. 030449

FOR
SAURASHTRA KUTCH STOCK EXCHANGE LTD.

DIRECTOR

DIRECTOR

DIRECTOR



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION :

These financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis of accounting.

2. ACCOUNTING METHOD :

The company recognizes all income and expenditure having a material bearing on the financial statements on accrual basis. Accrued interest on fixed deposits with banks is calculated on the basis of certificate received from the bank. The financial statements are prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company. Amount of expenses debited to profit and loss account is net of amount reimbursed by SKSE Securities Ltd.

3. FUNDAMENTAL ACCOUNTING ASSUMPTION :

- a. The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses. Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.
- b. The business of the company will continue as going concern and will not be liquidated. The company has neither any intention of discontinuing its business operations. However as per the terms of Exit policy of SEBI, post de-recognition, the company can not carry out any business as stock exchange and the terms "Stock Exchange" will not be part of the name of the company. The company is functioning through its subsidiary known as SKSE Securities Ltd. who is member of BSE & NSE in the business of Shares, Stock & Derivative broking.

4. UNSOLD FORMS & STAMPS :

- a. The company has maintained proper records and accounted for the stock of share transfer form & stamps
- b. At the end year the company has no stock of share transfer form & share transfer stamp.

5. REVENUE RECOGNITION :



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT SIGNIFICANT ACCOUNTING POLICIES

The revenues are recognized as and when accrued in respect of principal activity of Company. In other cases revenue is recognized when right to receive income is established.

- a. During the financial year covered under audit, income from interest on Fixed Deposits, Interest on GEB Deposits and Maintenance charge income, Rent income are recognized on accrual basis.
- b. All other incomes and miscellaneous receipts are recognized in the books of account when right to receive income is established.

6. FIXED ASSETS AND DEPRECIATION :

- a. Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. The cost of assets includes other direct / indirect and incidental cost incurred to bring them into their present location.
- b. In the Fixed Assets Schedule of the Balance Sheet, the gross value of Building is shown since the Company has acquired part of the Building known as "Shri Harisinhji Gohil Shopping Centre" [excluding shops bearing number 21 to 32 with the adjoining land of ground floor (9 shops on the Road and 3 shops in front)] from Rajkot Municipal Corporation. However, though the right over the proportionate land attributable to the building has also been transferred to the Company, separate value of land can not be shown till the existence of the Building "Shri Harisinhji Gohil Shopping Centre" as a whole. Considering this factual aspect, in the Fixed Assets Schedule of the Balance Sheets, the gross value of Building is only shown, since the value of Land is inseparable and can not be assigned.
- c. Depreciation is provided on written down value method at the rate(s) provided in Schedule XIV to the Companies Act, 1956 on prorata basis.
- d. During the year, Company has sold its old electric fitting items, old AC & old office equipments as scrap.

7. CREATION OF TRUST / FUNDS :

- a. Settlement Protection Fund and Brokers Protection Fund were created out of the Contributions made by the members annually. As per IOC dated 7th March, 2007, Settlement Protection Fund and Brokers Protection Fund were merged and renamed as SETTLEMENT GUARANTEE FUND.

8. VALUATION OF MEMBERS SHARES AND SECURITIES :

Value of shares and securities received from member as security deposit / base ived,



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT SIGNIFICANT ACCOUNTING POLICIES

if any, on these shares and securities is treated as income of the Stock Exchange.

Minimum Capital are entered separately in computerized Security Deposit Register. Dividend received, if any, on these shares and securities is treated as income of the Stock Exchange.

9. INVESTMENTS :

- a. The amount represented by investments relate to shares and securities of subsidiary and other companies, as corpus fund in the subsidiary company.
- b. Long term investments are valued at cost ignoring temporary fluctuation, if any. Current (Short term) investments are valued at cost or market value whichever is lower, if applicable.

10. RETIREMENT / EMPLOYEE BENEFITS :

The Company provides various short term and long term retirement benefits to its employees.

a. Short Term Employee Benefits :

i. Leave Encashment :

The Company annually pays leave encashment to its employees on calendar year (Jan - Dec) basis. The employees are granted a total 30 Casual Leaves (C.L.) in a calendar year. Unutilized C.L. is being paid to employees by way of leave encashment at year end based on their respective salaries. The cost being short term in nature, is debited to Profit and Loss Account" under the head "Staff Leave Encashment Expenses".

b. Long Term Employee Benefits (Post Retirement) :

i. Provident fund :

Under this benefit, contributions as required under the statute / rules is made to the Government Provident Fund by the company. Employees' shares of contribution is deducted from gross monthly salary of employees and company's share of contribution is debited to Profit and Loss Account under the head "Provident Fund Expenses" being current service cost of company.

ii. Group Gratuity:

The Company has taken a Group Gratuity Policy of LIC to cover retirement benefits of the employees since year 1994 - 95. Accrued liability for Gratuity to employees is covered by Group Gratuity Scheme of LIC of India and annual contribution due there under is paid in accordance therewith.



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT SIGNIFICANT ACCOUNTING POLICIES

Particulars	Particulars
Type and Details of Scheme	GGCA Fund Accumulation Scheme of LIC - Group Gratuity
No. of Members	1
Average Age	30
Average Monthly Salary	33,120
Average Past Service	2
ACTUARIAL ASSUMPTION	
Valuation Method Adopted	Projected Unit Credit Method
Discount Rate taken	8% p.a.
Withdrawal Rate	1% to 3% depending upon age
Expected Salary Escalation	7%
VALUATION DATA	
	Amount Rs.
P.V. of Past Service Benefit.	28,962
Current Service Cost	14,459
Total Service Gratuity	5,73,231
Accrued Gratuity	38,216
Life Cover (Associated with Policy)	1,75,000
Life Cover Premium Paid (A)	482
CONTRIBUTION DETAILS	
	Amount Rs.
Fund Value with LIC as on Renewal Date	2,40,338
Additional Contribution for Existing Fund (B)	0
Current Service Cost Paid (C)	0
Paid during the year	0
TOTAL CONTRIBUTION PAID (A + B)	482
FUND BALANCE (RUNNING A/C.)	
	Amount Rs.
Opening Balance of the Fund	33,52,891
Add : Amount Credited towards Fund	2,55,190
Less : Amount Paid as Claims	33,67,743
Add : Interest Credited for the policy	37,556
Closing Balance of the Fund as on 31.03.14	2,77,894

LIC maintains Gratuity fund of the company and makes valuation of the fund based on actuarial assumptions adopted and data provided by the company. During the year 2013 - 14 the company has accrued gratuity liability of Rs. 2,77,894/-. Fund Balance with LIC as on 31st March 2014 is Rs. 2,77,894/-

**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT
SIGNIFICANT ACCOUNTING POLICIES****iii. Employee retrenchment compensation**

During the year, in order to comply with provisions of Exit Circular, company has made payment Rs.16,86,353/- with respect to Employee Termination liabilities towards Ex-gratia, Retrenchment compensation, notice pay etc, as required under Labour Law.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

A provision is recognized when an enterprise has present obligations as a result of past event and it is probable that outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.

Provisions are not discounted to their present value and are determined based on management estimates required to settle the obligations at the balance sheet date. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

For and on behalf of the Board

FOR KOTAK MADAVIA & CO.
Chartered Accountants
ICAI FRN NO. 105279W

Sd/-
B. P. KOTAK
PARTNER
MEM. NO. 30449

**FOR
SAURASHTRA KUTCH STOCK EXCHANGE LTD.**

DIRECTOR

DIRECTOR

DIRECTOR

**PLACE: RAJKOT
DATE : 01-09-2014**



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

PARTICULARS	As at 31st march 2014		As at 31st march 2013	
1. SHARE CAPITAL				
Authorised Share Capital				
25,000 Equity shares of Rs. 100/- each		2500000		2500000
Issued, Subscribed and Paid-up				
17,350 Equity shares of Rs.100 each fully paid up		1735000		1735000
Reconciliation of share capital (Equity)	Number	AMOUNT	Number	AMOUNT
Balance at the beginning of the year	17350	1735000	17350	1735000
Add : Issued during the year	0	0	0	0
Add : Bonus issues made during the year	0	0	0	0
Less : Shares bought Back During the year	0	0	0	0
Balance at the end of the year	17350	1,735,000	17350	1,735,000
Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company		NIL		NIL
Shareholders holding more than 5% of the shares		NIL		NIL
2. RESERVE AND SURPLUS				
Capital Reserve (Members' Funds)				
Members' entrance Fee				
Balance at the beginning of the year		76500000		76500000
Add : Additions made during the year		0		0
Less : Deletions made during the year		0		0
Balance at the end of the year		76500000		76500000
Members' Annual Subscription				
Balance at the beginning of the year		600000		600000
Add : Additions made during the year		0		0
Less : Deletions made during the year		0		0
Balance at the end of the year		600000		600000
Authorized Assistant Admission Fees				
Balance at the beginning of the year		737000		737000
Add : Additions made during the year		0		0
Less : Deletions made during the year		0		0
Balance at the end of the year		737000		737000
		77,837,000		77,837,000
Other Reserve :				
Investors Service Fund				
Balance at the beginning of the year		0		10021388
Add : Transfer from				
Listing Fee Income		0		0
Interest Income on F.D.		0		0
Less : Utilized during the year		0		(1287885)
Less : Paid to SEBI during the year (Ref. note no. 22 (ii))		0		(8733503)
Balance at the end of the year		0		0



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

PARTICULARS	As at 31st march 2014	As at 31st march 2013
Settlement Guarantee Fund		
Balance at the beginning of the year	4032895	4032895
Add : Transfer from		
Card auction earnest money deposit	0	0
Less : Utilized during the year	0	0
Balance at the end of the year	<u>4,032,895</u>	<u>4,032,895</u>
Surplus : statement of profit and loss :		
Balance at the beginning of the year	28504744	28024796
Add : Transferred from statement of profit and loss	758976	479948
Balance at the end of the year	29263720	28504744
TOTAL	<u>111,133,615</u>	<u>110,374,639</u>
3. Deferred taxes liability (net)		
Opening Balance	5631310	6009045
Add/Less: Current Year	(349310)	(377735)
TOTAL	<u>5,282,000</u>	<u>5,631,310</u>
4. Long Term Liabilities :		
Others : (Unsecured)		
Deposits from Members		
Security Deposit (Total)	1586252	14607982
Security Deposit against Shares	15306	1447578
Security Deposit (Power of Attorney)	0	50000
Office Deposit	7167000	7177000
Other Deposits		
Authorised Asst. Security Deposit	52315	121917
Liquid Deposit from Company (Ref. note no. 9 (B) Signi. A/c Policies)	0	0
Canteen Deposit	50000	50000
<small>(It is considered as long term as there is no stipulation for the terms of repayment and it is most likely to be repaid after one year)</small>		
TOTAL	<u>8,870,877</u>	<u>23,454,477</u>
5. Short -term borrowings (Unsec ured)		
Investor Protection Fund Trust		
Opening Balance	0	(157247)
Add : Share in listing free	0	0
Interest on liquid Deposit	0	0
Interest for the year	0	100756
Other addition/transferred	0	7186474
Less : Expenses transferred	0	(401318)
Less : Payment made during the year	0	(6908125)
Dr. Balance shown under the head short term loans and advances	-	(179460)
SKSE Securities Ltd. (Subsidiary)	146251	179460
TOTAL	<u>146251</u>	<u>0</u>
6. Other current liabilities		
Claim Require to reimberse to members (Ref. note no. 27 (2))	154161	157881
Election Deposit	0	1000
Duties & Taxes Payable	5890	343542



SKSE

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SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

PARTICULARS	As at 31st march 2014	As at 31st march 2013
Clearing House Pay in/out	3895	3895
SEBI Contribution Payable	0	0
Staff Co-op. Society	0	205990
Others	34565	155248
Advance Received		
General Brokers (ADV) (Ref. note no. 27 (1))	614000	614000
Canteen Rent Advance	0	0
Other Advances	25534	0
7. Short - term provisions	TOTAL 838,045	TOTAL 1,481,556
LIC Group Gratuity Fund		
Opening Balance		
Add: Amount Credited/Adj.	3352891	3056831
Interest Credited	255190	361850
Less: Claim during the year	37556	88722
Closing Balance	(3367743)	(154512)
	277,894	3,352,891
LIC Leave Encashment Policy Fund		
Opening Balance		
Add: Amount Credited/Adj.	0	1084473
Interest Credited	0	0
Less: Claim during the year	0	0
Closing Balance	-	(1084473)
	0	0
Provision for income tax (net of advance payment of tax)	0	0
Provision for Expenses	111695	394990
	TOTAL 389,589	TOTAL 3,747,881

8. FIXED ASSETS

SR. NO.	TANGIBLE ASSETS	RATE OF DEP.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			OPENING BALANCE	ADDITION DU. THE YEAR	LESS ADJU-DU. THE YEAR	TOTAL	OPENING BALANCE	ADDITION DU. THE YEAR	LESS ADJU-DU. THE YEAR	TOTAL UPTO	CLOSING BALANCE AS ON 31.03.14	CLOSING BALANCE AS ON 31.03.13
1	Land & Building	5.00%	41,423,090	23,095	0	41,446,185	23,904,759	876,673	0	24,781,432	16,664,753	17,518,331
2	Office Equipment	13.91%	160,379	0	0	160,379	117,226	6,003	0	123,229	37,150	43,153
3	Zerox Machine	13.91%	199,601	0	50,000	149,601	191,410	182	43,117	148,475	1,126	8,191
4	Water Cooler	13.91%	146,216	0	0	146,216	130,850	2,137	0	132,987	13,229	15,366
5	Air Conditionar	13.91%	2,840,390	123,592	2,633,533	330,449	2,528,738	19,918	2,398,700	149,956	180,493	311,652
6	Fax Machine	13.91%	54,100	0	0	54,100	51,617	345	0	51,962	2,138	2,483
7	Electrification	13.91%	3,955,532	0	27,030	3,928,502	3,247,197	98,258	25,076	3,320,379	608,123	708,335
8	Submersible Pumb	13.91%	363,776	0	0	363,776	246,140	16,363	0	262,503	101,273	117,636
9	Fire Fighting System	13.91%	0	0	0	0	0	0	0	0	0	0
10	Generator Set	13.91%	2,003,129	0	0	2,003,129	1,019,659	136,801	0	1,156,460	846,669	983,470
11	Aquaguard	13.91%	0	0	0	0	0	0	0	0	0	0
12	Mobile Phone	13.91%	26,480	0	0	26,480	3,749	3,162	0	6,911	19,569	22,731
13	Furniture & Fixture	18.10%	2,836,774	16,200	0	2,852,974	2,657,202	34,849	0	2,692,051	160,923	179,572
14	Television Set	18.10%	69,340	0	22,700	46,640	67,250	249	21,984	45,515	1,125	2,090
15	Sound System	18.10%	0	0	0	0	0	0	0	0	0	0
16	Bicycle	20.00%	0	0	0	0	0	0	0	0	0	0
17	Motor Car Indigo mazda	25.89%	758,805	0	0	758,805	362,740	102,541	0	465,281	293,524	396,065
18	Scooter	25.89%	17,068	0	0	17,068	16,643	110	0	16,753	315	425
19	UPS System	40.00%	157,500	0	0	157,500	21,548	18,911	0	40,459	117,041	135,952
20	Computer System	40.00%	60,157	0	0	60,157	40,322	7,934	0	48,256	11,901	19,835
	TOTAL		55,072,337	162,887	2,733,263	52,501,961	34,607,050	1,324,436	2,488,877	33,442,609	19,059,352	20,465,287
	PREVIOUS YEAR		62,973,615	269,599	8,170,877	55,072,337	41,119,464	1,482,420	7,994,834	34,607,050	20,465,287	21,854,151



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

PARTICULARS	As at 31st march 2014	As at 31st march 2013
9 Non Current Investment: (Unquoted)	.	.
Subsidiary Companies		
SKSE Securities Ltd. [300(pr. Yr. 300) Class A Equity shares of Rs. 1,00,000/- each fully paid up and the same are valued at Face Value]	30000000	30000000
SKSE Securities Ltd. Corpus Fund (Valued at Face Value)(refer note no. 24)	8507000	8507000
Others		
Inter Connected Stock Ex. Ltd. [14,00,000(pre. Yr. 14,00,000) Equity shares of Rs. 1/- each including 13,30,000 equity shares received as a bonus] (Valued at Cost Price, refer note no. 25)	7720000	7720000
TOTAL	46,227,000	46,227,000
10. Other Non Current Assets		
LIC Group Gratuity Policy		
Opening Balance	3352891	3056831
Add: Amount Credited/Adj. Interest Credited	167252 37556	361850 88722
Less: Claim during the year	(3279805)	(154512)
Closing Balance	277894	3352891
LIC Leave Encashment Policy		
Opening Balance	0	1084473
Add: Amount Credited/Adj. Interest Credited	0 0	0 0
Less: Claim during the year	-	(1084473)
Closing Balance	0	0
TOTAL	277,894	3,352,891
11. Cash and cash equivalents		
Balances with bank in Current A/C	301290	2130874
Cash on hand	28415	43748
Balances with bank in Fixed Deposits*	50675833	58011513
Out of above held by Bank as :		
(1) Given on Securities for BG	NIL	111,513
*fixed deposits with banks include deposit of Rs. 65,76,351/- (pr. yr. Rs. 5,80,11,513/-) with maturity of more than 12 months	TOTAL	60,186,135
TOTAL	51,005,538	60,186,135
12. Short term loans and advances (Unsecured considered good)		
Advance recoverable against taxes & duties		
IT Refund & Interest on IT Refund receivable	1342085	1342085
Service Tax Receivable	310139	0
IT Advance/TDS (Net of Provision of tax)	1766810	1037765
Advance Recoverable in Cash & Kind		
SKSE Securities Ltd. (subsidiary Co.)(for EXP)	0	2613342
Staff Loan & Advances	0	106767
Other advances	0	0



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	As at 31st march 2014	As at 31st march 2013
SEBI Annual Fee Receivable from members	3971173	4771297
Charges receivable from members	873125	1168862
Charges receivable from Directors	1500	7369
<small>(Maximum Amount o/s. at any time during the year is Rs. 32849 P.Y. Rs. 1500)</small>		
Clearing House (Defaulter for bad delivery)	2032247	2032247
Clearing House (G.C. Lonagaria)	90375	90375
J.P. Undhad (Defaulter)	270000	270000
Investor Protection Fund Trust	190060	179460
13. Other Current Assets	TOTAL	TOTAL
	10,847,514	13,619,569
Deposits	348021	392609
Prepaid Expenses	39354	64667
Share transfer Stamp Stock	0	801
Share transfer Form Stock	0	4650
Income Receivable		
Interest accrued but not due	277691	488998
Interest on GEB deposit	25502	30154
Rent Receivable	287507	1592102
14. Revenue from Operations	TOTAL	TOTAL
	978,075	2,573,981
Income from services : Listing fee	0	11817
Particulars of Sales of Services :	TOTAL	TOTAL
	0	11817
Listing Fee		
Received during the year	0	11817
Less: Transferred to		
Investors Protection Fund Trust @ 1%	-	-
Investors Service Fund @ 20%	-	-
	TOTAL	TOTAL
	0	11,817
15. Other Income		
Interest income on Term Deposit with Bank	4802253	8087165
Less: transferred to		
Investors' protection fund trust	0	(100756)
IPFT (Liquid Deposit)	0	0
Investors' Service Fund (Ref. note no. 9(A)signi. A/c. Policies)	0	0
	4802253	7986409
Interest Income Other	28336	54937
Dividend Income other	2595	2889
Rent Service Charge Income	2080566	2084716
Maintenance Charge Income	1956900	1956900
Office Transfer Fee	0	35000
Sale of Transfer Form & Membership list	18980	44964
Diary contribution	0	24500
Insurance claim recd.	0	880037
Misc. Income	63963	92951
	TOTAL	TOTAL
	8,953,593	13,163,303
16. Employee Benefits Expenses		
Salaries	1043804	1494416
Leave Encashment	43052	136246
Bonus & Ex-gratia	714898	102974
Diwali Allowance	15000	325500
P.F. Contribution & Admin. Charges	52455	117719



SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

PARTICULARS	As at 31st march 2014	As at 31st march 2013
Regulatory Award	0	44920
Gratuity Exp. (LIC)	88420	361850
Washing Allowance	0	2975
Welfare & Uniform Expenses	4412	51833
TOTAL	1,962,041	2,638,433
17. Finance Costs		
Bank Guarantee Charge	2188	4575
Bank Charge	495	245
Interest Exp. Other	2637	738
TOTAL	5,320	5,558
18 Other expenses		
Share Transfer Form		
Opening stock	4650	2205
Add: Printing Expenses	0	16810
Less: Closing Stock	0	(4650)
Meeting & Seminar Expenses	4650	14365
Meetings & Seminar	83366	165716
P.R. Sitting Fees	22000	44000
Statutory, Legal & Professional Expenses	1510835	876796
Auditors Remuneration		
Statutory Audit	75000	75000
Internal Audit	0	15000
Office Expenses		
Rent Rates & Taxes	200087	114352
Electricity	287424	405255
Generator Diesel	54236	17352
Security Service Charge	192000	160800
Advertisement Exp.	7724	35770
Other Office Exp.	144362	127305
Water Charges	58200	74150
Insurance Premium	85490	32853
Printing & Stationary & Postage/Telegram	48608	86138
Telephone & Internet	9648	12838
Repair & Maintenance		
Building	128213	1253593
Office Equipment & Electric	142222	160479
Furniture & Fixture	26617	13669
Vehicle	52000	6409
Travelling Expenses	134209	355708
Loss on sale of asset	160886	18543
TOTAL	3,427,777	4,106,186
19. Earning Per Share		
PARTICULARS		
Profit / (Loss) after taxation for the year (A)	758976	479948
Number of Equity Share (B)	17350	17350
Basic and diluted Earning Per Share	44	28
Nominal Value Per Share	100	100



**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT *2013-2014*
NOTES ANNEXED TO THE FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED ON 31st MARCH 2014**

20. GOING CONCERN :

Saurashtra Kutch stock Exchange Ltd was incorporated on 28th July, 1989 as a limited liability company and got recognition as a Stock Exchange on 10th July, 1989.

SEBI has withdrawn recognition of our stock exchange as per notification dated 6th July, 2007. In view of this on July 09, 2007 an Application filed in the Securities Appellate Tribunal (SAT) by the SKSE against the order of SEBI withdrawing recognition of the SKSE.

Thereafter on July 13, 2007 Securities Appellate Tribunal (SAT) dismisses the appeal filed by the SKSE Ltd against the order of SEBI withdrawn recognition of SKSE. The SEBI denied the renewal application of the SKSE Ltd., on various pity grounds in response to the renewal application of the SKSE Ltd dated April 4, 2007.

Thereafter the company has filed petition /Special Leave Petition/an appeal over the order of SEBI and SAT at various levels before the High Court of Gujarat and the Hon. Supreme Court of India. Finally/In conclusion the withdrawal of recognition was clear as per the Supreme Court judgment dated 14th March, 2012.

On May 30, 2012 SEBI has issued a circular regarding Exit Policy. As per this Exit Policy, the stock exchanges which are already de-recognized shall make application for exit within two months from the date of the SEBI circular dated May 30, 2012. As such, we being a de-recognized stock exchange are required to exit by the end of July 2012. But, this time was very short for us to exit as we had to call EGM and other statutory process. Hence, we could not Exit within stipulated period of two months. SEBI therefore advised us for compulsory exit. In this connection SEBI advised us to appoint Valuer out of the list suggested by SEBI. As such our Council of Management appointed M/s H. P. Mehta & Co. on 08/11/2012. They had summated the report directly to SEBI.

As per the report submitted by M/s H. P. Mehta & Co. and personal discussion of our directors with SEBI official, during the financial year 2012-13 we have released to required payment to SEBI.

Thereafter, SEBI has issued us an exit order on 5th April 2013. According to this exit order, we were required to change the name of the Company and also Memorandum of association and Article of Association of the Company. In this connection, company formed a committee Viz. business development Committee and also applied to the concerned ROC for change in name of the Company. As per Exit order now onward no activities as Stock Exchange can be carried out but management has decided to continue the activities to provide broking facilities to its members through its subsidiary company namely SKSE Securities Ltd. Accordingly accounts are prepared as going concern



**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT *2013-2014*
NOTES ANNEXED TO THE FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED ON 31st MARCH 2014**

21. CORPORATIZATION OF THE STOCK EXCHANGE :

The Securities and Exchange Board of India had advised as per the Securities Law (Amendment) Ordinance, 2004 to corporatize and demutualise the stock exchange. As a part of corporatization and demutualising scheme, the Stock Exchange had been re-registered as a company limited by shares under Section 32 of the Companies Act, 1956 vide certificate of incorporation dated 16.03.2005 bearing No. U67110GJ2005PLC45694 with the Registrar of Companies, Ahmedabad.

22. ANNUAL MEMBERSHIP FEES :

No membership fees have been charged to members this year following the de-reorganization of the Stock Exchange.

23. CONTRIBUTION TO SUBSIDIARY COMPANY :

The total contribution in SKSE Securities Ltd. is Rs.3,85,07,000/- out of which contribution of Rs.85,07,000 is treated as contribution towards corpus capital fund of the subsidiary company and is accordingly treated as Investment in subsidiary company. The remaining amount of Rs.3,00,00,000/- is towards share capital of the subsidiary Company.

24. INVESTMENT :

The amount represented by investments relate to shares and securities of subsidiary and other companies, as corpus fund in the subsidiary company.

Saurashtra Kutch Stock Exchange was holding 70,000 shares for the value of Rs.1 each in Inter-Connected Stock exchange Ltd. till February 2, 2012. In accordance with the resolution passed by the Shareholders of Inter Connected Stock Exchange of India Ltd (ISE) for the issue of Bonus shares in the Extra-ordinary General Meeting held on January 17, 2012. On February 2, 2012 the Board allotted Bonus shares to the shareholders of ISE 19 shares for 1 shares held in ISE. Resultantly Saurashtra Kutch Stock Exchange Ltd. has acquired 13,30,000 shares for the 70,000 shares held in ISE. Now total no. of shares held by Saurashtra Kutch Stock Exchange Ltd. in Inter-Connected Stock Exchange Ltd. would be 14,00,000 shares for the value of Rs. 77,20,000/- as on March 31, 2014.

25. CURRENT ASSETS, LOANS AND ADVANCES AND LIABILITIES :

In the opinion of the Board of Directors, the value on realization of current assets, loans and advances, if realized in the ordinary course of the business, shall not be less than the amount, which is stated, in the current year Balance sheet. The Provision for all known liabilities is reasonable and not in excess of the amount considered reasonably necessary.

**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT *2013-2014*
NOTES ANNEXED TO THE FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED ON 31st MARCH 2014****26. DISCLOSURE REQUIREMENT FOR SUNDRY CREDITORS COVERED UNDER MSME ACT, 2006 :**

Based on the information available with the company, there are no outstanding dues to Micro, Small And Medium Enterprise as described under the Micro, Small and Medium Enterprise Act – 2006 and during the year, no interest is paid for the delay in payment of such enterprise.

27. CLAIM FROM DEFAULTER MEMBERS :

- (i) The Hon'ble Civil Court vide its order dated 06.09.1996 has specifically directed to the exchange to keep a separate account of Rs.6,14,000/- of one of the defaulter member. Accordingly, the exchange has obeyed the Court's order and has not adjusted its dues or claims. The expenses of the auction shall be adjusted as per the direction of the Court. An amount of Rs. 6,14,000/- is shown as a liability in the books of the Exchange under the head "General (Broker) Advance". The amount is kept separate as per the Order of the Honorable Civil Court dt'd 06.09.1996. there is no progress in the matter.
- (ii) During the Financial year 2013-14 "Claim required to be reimbursed to member a/c" show opening balance of Rs. 1,57,881/-. Out of then an amount of Rs.3720/- is paid/transferred to members. The balance amount of Rs. 1,54,161/- is still shown under the head "Claim received to be reimbursed to Members"

28. DEFERRED TAX ASSETS / LIABILITIES :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income-tax Act, 1961. Deferred tax resulting from timing difference between book and taxation profit is accounted for using the tax rates and laws that have been enacted or substantively enacted on the date of balance sheet. The deferred tax asset and liabilities are recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future.

Break up of Net Deferred Tax Liability into major components is given below:

Sr. No.	Particulars	Deferred Tax (asset) Liability as on 01.04.13	Add / (Less) Current Year	Deferred Tax (asset) Liability as on 31.03.14
01	Depreciation (Timing Difference)	56,31,310/-	(3,49,310/-)	52,82,000/-
	TOTAL	56,31,310/-	(3,49,310/-)	52,82,000/-

**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT *2013-2014*
NOTES ANNEXED TO THE FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED ON 31st MARCH 2014****29. FOREIGN EXCHANGE EARNING AND OUTGO :**

The Company has neither incurred any expenditure nor earned income in foreign exchange.

30. RELATED PARTY TRANSACTIONS :

The company has entered into related party transactions whose details are given below:

Name of Related Party	Nature of Relation
SKSE Securities Ltd.	Subsidiary
Chiragbhai Dedakia	G.M./ Key Management Personnel

REIMBURSEMENT OF EXPENSES :

Particulars	Nature of Transaction	Amount
SKSE Securities Ltd.	Usage Charges	20,22,480 (Including Service Tax)
Reimbursement of Expenses	Rate and Taxes	1,90,588
	Electricity Charges	6,70,650
Chirag Dedakia	Key Management Personnel	5,53,181

During the financial year covered under audit, the Stock Exchange has allowed SKSE Securities Ltd. (a wholly owned subsidiary company) to use its infrastructure facilities.

31. CONTINGENT LIABILITIES :**(a) Contingent Liability for E.S.I. contribution under E.S.I. Act.**

A demand of Rs. 25,449/- towards contribution of E.S.I. for the period from 01.01.1993 to 31.03.1994, Rs.50,911/- for the period from 01.04.1994 to 31.12.1996 and Rs.2,96,278/- for the period from 01.01.1997 to 31.03.2003 has been raised by the Department. No fresh demand has been raised during the current year. The Stock Exchange is of the view that ESI Act is not applicable to the Stock Exchange. The Exchange has obtained stay against demand from the Hon'ble E.S.I. Industrial Tribunal, Rajkot and in accordance with the directions in the order, the Exchange has provided



**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT *2013-2014*
NOTES ANNEXED TO THE FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED ON 31st MARCH 2014**

bank guarantee to the extent of Rs.1,75,000/-. However, looking to the facts of the case, the Exchange has not made provision in this regard in the books of account. There is no progress in the proceedings of the case and the same is pending with the Authority.

bank guarantee to the extent of Rs.1,75,000/-. However, looking to the facts of the case, the Exchange has not made provision in this regard in the books of account. There is no progress in the proceedings of the case and the same is pending with the Authority.

(b) Contingent Liability for Service Tax:

Order in appeal no. bearing no. 87/2013 (RAJ) CE / AK/ COMMR (A)/ AHD dated 25.02.2013 raising demand of Rs. 48,78,955/- plus interest & penalty was issued by the Commissioner of Service Tax and matter was decided against the company. Thereafter company filed an appeal before the Tribunal against the order of Commissioner of Service Tax and Tribunal has issued stay order vide no. ST / Stay/11137/2013, ST/ 11275/2013-DB dated 29.08.2013.

Order in appeal no bearing no. 593/2013(RAJ)CE/AK/COMMR(A)/AHD dated 20.12.2013 raising the demand of Rs. 7,62,724/- plus interest and penalty was issued by the Commissioner of Service tax and the matter was decided against the Company. Thereafter company file the appeal before the Tribunal I against the order of Commissioner of Service Tax and Tribunal has issued stay order vide no.ST/STAY/10648/2014,ST/10340/2014 Dated 31.3.2014

Management is hopeful in deciding the matters in favour of the company. Since the above stated demands are disputed in appeal, no provision on account of such demand is made.

32. DIRECTORS' REMUNERATION & SITTING FEES :

During the financial year covered under audit, no Remuneration has been paid to any director, & Rs. 22,000/- (P.Y. Rs. 44,000/-) is paid by way of sitting fees to Public Representative Directors for sitting in Board Meetings of the Company.

Sr. No.	Particulars	Audit Fee	Service Tax	Previous year.
1	Statutory Audit Fees Rs.	75,000/-	9,270/-	84,270/-
	TOTAL Rs.	75,000/-	9,270/-	84,270/-



**SAURASHTRA KUTCH STOCK EXCHANGE LIMITED : RAJKOT *2013-2014*
NOTES ANNEXED TO THE FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED ON 31st MARCH 2014**

33. AUDITOR'S REMUNERATION :

Auditor's Remuneration has been provided as below:

34. DEBIT / CREDIT BALANCES :

The balances of Loans and Advances, IPF deposits received and sundry creditors are subject to confirmation and reconciliation.

35. PREVIOUS YEARS' FIGURES :

Previous years' figures have been regrouped / rearranged wherever necessary to make them comparable with the figures of the current year.

Signature to Schedule 1 to 35

For and on behalf of the Board

FOR KOTAK MADAVIA & CO.
Chartered Accountants
ICAI FRN NO. 105279W

FOR
SAURASHTRA KUTCH STOCK EXCHANGE LTD.

Sd/-
B. P. KOTAK
PARTNER
MEM. NO. 30449

DIRECTOR

DIRECTOR

DIRECTOR

PLACE: RAJKOT
DATE : 01-09-2014