



# SKSE Securities Ltd.

Annual Report 2013-14

"POPATBHAI SORATHIA BHAVAN", SADAR BAZAR, RAJKOT – 360 001  
PHONE: 2442145, 2475721, FAX: 0281-2477576: CIN:U67110GJ2000PLC037264  
E-mail : info@sksesl.com Web site : www.sksesl.com

## **BOARD OF DIRECTORS**

### **Broker Directors**

Mr. N. M. Jadeja  
Mr. P. N. Boda  
Mr. Hitesh. K. Chotai  
Mr. Bhavin C. Thakrar  
Mr. Milan J. Mithani

### **Bankers**

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

### **Public Representatives**

Dr. J. K. Dodiya - Professor  
CS. Dharmendra Ganatra – (Practicing Company  
Secretary )  
Mr. A. S. Joshi - Advocate  
Mr. K. M. Vora - Businessman  
Mr. Parag N. Shah - Advocate

### **Auditors**

M/s. Kotak & Co., Rajkot.  
15- Panchnath Plot Corner,  
Moti Tanki-Sadar Bazar  
Rajkot-360001

### **Chief Executive Officer**

**Mr. Chirag B. Dedakia**



## NOTICE

**Notice** is hereby given that **15<sup>th</sup> Annual General Meeting** of the Members of **SKSE Securities Limited** will be held on Friday of 26<sup>th</sup> September, 2014 at 5:30 PM at the Registered Office of the Company 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 31<sup>st</sup> 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 Board of Directors in Place of Mr. P. N. Boda who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Broker Director on the Board of Directors in Place of Mr. Milan J. Mithani who retires by rotation and being eligible, offers himself for re-appointment
04. To appoint a Public Representative Director on the Board of Directors in Place of Mr. Jaydipsinh K. Dodiya who retires by rotation.
05. 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 & Co., (Firm Registration no.105276W), 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 reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

### **SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and are hereby altered by Replacing the Existing Article 4 and 4.1 of Articles of Association of the Company as under :

4. Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three and not more than Seven.



The First Directors of the Company shall be the following:

- (1) Shri Hasmukhbhai B. Baldev
- (2) Shri Arvindkumar B. Patel
- (3) Shri Mukeshbhai P. Doshi
- (4) Shri Maheshkumar P. Shah

#### 4.1 (1) Board of Directors of the Company Consists of

- a) Five broker directors to be nominated by the council of management (Board of directors) of the Saurashtra Kutch Stock Exchange Ltd. (holding company) out of which minimum 4 directors to be nominated from the sub-brokers of the company, constituting at least 80% sub-broker directors under this category. Directors appointed under this category can be withdrawn/replaced by the Council of Management (Board of Directors) of Saurashtra Kutch Stock Exchange Ltd. (holding company) at any point of time. These directors are liable to retire by rotation.
- b) Two Directors representing the Board being the 'Independent Directors' (Having the same meaning as defined under the Companies Act, 2013) who are not liable to retire by rotation and whose term of appointment shall the same as for independent Directors provided in the Companies Act, 2013.
- c) Composition of Board shall in no case fall below 71.4 % or near by broking directors appointed by article 4(1)(a) and 28.6 % or nearby independent directors appointed by article 4(1)(b) and if falls below Board shall Act only to achieve this composition.
- d) Directors, shall not require to hold any qualification shares

By Order of the Board of Directors  
For SKSE SECURITIES LTD.

Sd/-

Chirag B. Dedakia  
Chief Executive Officer

Place : Rajkot  
Date : 27-08-2014



## NOTES:

01. 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.
02. The explanatory statement pursuant to 102(2) of the companies Act, 2013, relating to special business to be transacted at the meeting is annexed.
03. Member/Proxies are requested to produce attendance slip duly filled in and signed at the entrance of the venue of the Meeting.
04. 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 exercise such other rights along with duly attested signature of such person.
05. 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 dates of meeting, as to enable the management to keep the information ready.
06. 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(2) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under item No.6 of the accompanying Notice dated 27-08-2014

Item No.6.

The Company, SKSE Securities Ltd. is a subsidiary Company of Saurashtra Kutch Stock Exchange Ltd. Under section 4(1)(b) of the Companies Act, 1956. Its present composition of Board of Directors as mentioned in Clause 4 and 4.1 of the Articles of Association of the Company exists as per the guidelines of Securities and Exchange Board of India (SEBI). Saurashtra Kutch Stock Exchange Ltd. is de-recognized since 2007 and on 5<sup>th</sup> April, 2013, SEBI has issued Exit Order to Saurashtra Kutch Stock Exchange Ltd. Vide its '2012 Exit Circular'.



So, after receiving Exit Order, Board of Directors of SKSE Securities Ltd. has decided to change its composition as now there is no requirement to have the Board as per SEBI's guidelines and proposed to have the following Composition:

- a) Five broker directors to be nominated by the council of management (Board of directors) of the Saurashtra Kutch Stock Exchange Ltd. (holding company) out of which minimum 4 directors to be nominated from the sub-brokers of the company, constituting at least 80% sub-broker directors under this category. Directors appointed under this category can be withdrawn/replaced by the Council of Management (Board of Directors) of Saurashtra Kutch Stock Exchange Ltd. (holding company) at any point of time. These directors are liable to retire by rotation.
- b) Two Directors representing the Board being the 'Independent Directors' (Having the same meaning as defined under the Companies Act, 2013) who are not liable to retire by rotation and whose term of appointment shall the same as for independent Directors provided in the Companies Act, 2013.
- c) Composition of Board shall in no case fall below 71.4 % or near by broking directors appointed by article 4(1)(a) and 28.6 % or nearby independent directors appointed by article 4(1)(b) and if falls below Board shall Act only to achieve this composition.
- d) Directors, shall not require to hold any qualification shares.

For Changing the Composition of Board, it is required to alter Articles of Association of the Company. Pursuant to provision of section 14 of the Companies Act, 2013, Article of Association of the Company can be altered with the approval of the 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 Board of Directors  
For SKSE SECURITIES LTD.

Sd/-

Chirag B. Dedakia  
Chief Executive Officer

Place : Rajkot  
Date : 27-08-2014



## DIRECTORS' REPORT

To,  
The Members  
SKSE Securities Limited  
RAJKOT

Your directors have pleasure in presenting 15<sup>th</sup> Annual Report together with Audited Statement of Accounts of your company for the year ended on 31<sup>st</sup> March, 2014

	FINANCIAL RESULTS	(Rs. in Lacs)	
		31.03.2014	31.03.2013
1	Gross Receipt	166.69	198.51
2	Profit before Depreciation and Taxation	28.84	10.58
3	Depreciation	8.52	12.02
4	Provision for Taxation	5.65	00
5	Deferred Tax Liabilities / (Assets)	(0.67)	(0.69)
6	Net Profit for the year	15.34	(0.756)

### PERFORMANCE:

The year 2013-14 witnessed several cyclical changes in overall economy of the country. There has been a slight deviation in the performance of the company due to diverse reasons. The total turnover and turnover in TOP Ten scripts for the period ended on 31.03.2014 is as follows:

TURNOVER IN TOP TEN SCRIPTS OF SKSE SECURITIES LTD FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 (BSE Cash segment)

Sr. No.	Scrip Code	Name of Scrip	Total Qty. Traded	Turnover
1	500112	SBI	1419280	2610597413
2	532432	MCDOWELL	804329	1917506101
3	532174	ICICI BANK L	1420798	1487862976
4	500325	RELIANCE CAP	1576832	1335005195
5	532215	AXISBANK	1111383	1320976024
6	500470	TATA STEEL	3722774	1191604588
7	532712	RCOM	8518209	1013696142
8	500111	RELIANCE CAP	2683671	928755101.8
9	500510	LARSEN & TOU	846949	921122911.1
10	532540	TCS	428774	825606260.3



TURNOVER IN TOP TEN SCRIPTS OF SKSE SECURITIES LTD FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 (NSE Cash segment)

Sr. No.	Scrip Code	Name of Scrip	Total Qty. Traded	Turnover
1	524816	NATCO PHARMA	241798	157072557.3
2	532480	ALLAHABAD BK	1846917	152624935.7
3	500470	TATA STEEL	451205	138322185.3
4	503310	SWANMIL	1034064	109012017
5	532174	ICICI BANK L	106172	108416974.3
6	500112	SBI	57683	107688609.9
7	532654	MCLEOD	317388	92733012.75
8	532648	YESBANK	247798	89662531.55
9	500164	GODREJ INDUS	300807	85791125.1
10	532541	NIITTECH	237430	83063860.5

➔ 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, Total Rs. 7072.61 Crores

### SKSESL CDSL DEPOSITORY

SKSESL is functioning as Depository Participant of CDSL. There has been an ever increasing growth in number of Demat Accounts opened with us, which shows the investors' faith and trust in our company.

Particulars/Period	Figure
No. of BO Accounts as on 31.03.2013	37,694
No. of BO Accounts as on 31.03.2014	38,357

During the year under report, there was no reported case of fraudulent transfers of shares.



## **COMPLIANCE/SURVEILLANCE/LEGAL/INTERNAL CONTROL**

- ➔ Your company has become more and more vigilant and complied as far as compliance and surveillance are concerned.
- ➔ The year 2013-14 has been a year of inspections. Apart from the routine audits and surveillance, the company faced inspection of DP operations by CDSL, inspection of BSE, NSE and SEBI during the year under report.
- ➔ In addition to the above, there was conducted two six monthly internal audits for our overall operations of the company.
- ➔ During the year under report, we have conducted System audit of our IML locations/servers and CTCL locations/servers of BSE and NSE respectively.
- ➔ Your company has prudent Internal Control System with reference to certain aspects relating to equipments, fixed assets, services etc. However, looking to the growing need of overall surveillance and supervisions, the present Internal Control System would be reshaped to commensurate with the nature and size of the business. Also the nature and scope of the Internal Audit, which is being conducted by an independent firm of Chartered Accountants, would be enlarged looking to the nature of operations.

## **FUTURE PLANS**

We are planning to provide diversified services and products to our clients/investors at competitive rates. To widen the reach of our services, we are planning to open collection centers for our DP division at various places. Further, we have started taking steps for development of our IPO division and provided Internet base Trading facility to our clients.

## **PARTICULARS OF EMPLOYEES :**

Since provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) are not applicable and hence particulars of employees are not stated in the Directors' Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

### **EARNING :**

Since your company is engaged in Broking activities and has no activity pertaining to manufacturing, furnishing of details of conservation of energy are not applicable.

The foreign exchange earning and expenditure of your company during the year under report is NIL.





## **DIRECTORS :**

- (1) Mr. Dharmendra Ganatra was appointed as an Additional Director on the Board, with effect from 30/12/2013, holds office till the ensuing Annual General Meeting.
- (2) Mr. Parag N. Shah was appointed as an Additional Director on the Board, with effect from 30/12/2013, holds office till the ensuing Annual General Meeting.
- (3) Mr. P. R. Dholakia has resigned from directorship of the company and the Board of Directors, in its meeting dated 30/12/2013 accepted his resignation.
- (4) Mr. R. T. Ghetia has resigned from directorship of the company and the Board of Directors, in its meeting dated 30/12/2013 accepted his resignation.
- (5) Mr. P. N. Boda, broker director retires by rotation in this AGM and, being eligible, offer himself for re-appointment
- (6) Mr. Milan J. Mithani, broker director retires by rotation in this AGM and, being eligible, offer himself for re-appointment
- (7) Mr., Jaydipsinh K. Dodiya Public Representative Director retires by rotation in this AGM.

## **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 AUDITORS' REPORT

M/s. KOTAK & 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..

## 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. P. RACHCHH & CO., Practicing Company Secretaries, and a copy of the same is enclosed herewith.

## ACKNOWLEDGEMENTS:

The Directors sincerely acknowledge the significant contribution made by all the employees for there dedicated services to the company. Your Directors also wish to Acknowledge the cooperation and assistance received from officials of Securities and Exchange Board of India, Bombay Stock Exchange Limited, The Central Depository Services (India) Ltd. , National; Stock Exchange of India Ltd. , local, State and Central government Authorities, Bankers, Auditors, Press and other media, respected Public Representatives, all our members and investors at large. The Directors are very much thankful to the Council of Management of Saurashtra Kutch Stock Exchange Limited for providing valuable infrastructure facilities for carrying out our Business smoothly.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For SKSE SECURITIES LTD.

Sd/-

**Mr. Parag N. Shah**

Chairman for the Meeting

**Place : Rajkot**

**Date : 27-08-2014**



## COMPLIANCE CERTIFICATE

**CIN :U67110GJ2000PLC037264**

To,  
The Members of  
SKSE SECURITIES LIMITED - Rajkot.

We have examined the registers, records, books and papers of SKSE SECURITIES 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 31<sup>st</sup> 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 as 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 10 times on 10-04-2013, 12-04-2013 (Adjourned on 16-04-2013), 28-06-2013, 08-07-2013, 29-07-2013, 26-08-2013, 19-09-2013, 17-10-2013, 30-12-2013 and 28-03-2014 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 31<sup>st</sup> March, 2013 was held on 25<sup>th</sup> October, 2013 (which as per section 210 (5) of the Companies Act, 1956 was required to be held latest by 30<sup>th</sup> 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 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 are no transactions that need to be entered by the company in the Register to be maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued duplicate share certificates during the financial year in compliance with the provisions of the Act.
13. The Company has :
  - a. As per information and explanation provided there was no transfer/transmission of securities during the year;
  - 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 29-08-2013 and 06-09-2013 which was rejected on 03-09-2013 and 07-09-2013 respectively. Therefore the Company has, suo moto, filed application u/s 621A for Compounding of this offence with the Regional Director, North Western Region, Ahmedabad on 30-01-2014 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. approached various
18. As informed by the company officials, 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 year ending 31<sup>st</sup> 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 31<sup>st</sup> 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.
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 : 27-08-2014



## 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 31<sup>st</sup> March, 2014.

Sr. No.	Forms	Purpose	Filed on
1	Form 32	Under Section 303(2) of the Act	06-08-2013
2	Form 32	Under Section 303(2) of the Act	26-11-2013
3	Form 32	Under Section 303(2) of the Act	29-01-2014
4	Form 32	Under Section 303(2) of the Act	11-02-2014
5	Form 23AC, ACA	Under Section 220 of the Act	03-12-2013
6	Form 66	Under Section 383A of the Act	22-11-2013
7	Form 20B	Under Section 159 of the Act	28-11-2013
8	Form 61	Under Section 166(1) of the Act	29-08-2013
9	Form 61	Under Section 166(1) of the Act	06-09-2013
10	Form 61	Under Section 166(1) of the Act	30-01-2014

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

Signature:

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

Place : Rajkot  
Date : 27-08-2014



# SKSE Securities Ltd.

Annual Report 2013-14

**KOTAK & CO.,**  
Chartered Accountants



RAJKOT, C/O. KOTAK & CO.,  
15-PANCHNATH PLOT CORNER,  
MOTI TANKI - SADAR ROAD, RAJKOT,  
RAJKOT GUJARAT 360001. Ph. 09825729008

## INDEPENDENT AUDITOR'S REPORTS

**To,**  
**The Members of,**  
**SKSE SECURITIES LIMITED**  
**RAJKOT**

### Report on the Financial Statements

We have audited the attached Balance Sheet of **SKSE SECURITIES LIMITED, 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.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of



# SKSE Securities Ltd.

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**KOTAK & CO.,**  
Chartered Accountants



RAJKOT, C/O. KOTAK & CO.,  
15-PANCHNATH PLOT CORNER,  
MOTI TANKI - SADAR ROAD, RAJKOT,  
RAJKOT GUJARAT 360001. Ph. 09825729008

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 & CO.**  
Chartered Accountants  
ICAI FRN NO. 105276W

Sd/-  
**B. P. KOTAK**  
Proprietor  
Membership No. 30449

**Place : Rajkot**  
**Date : 27-08-2014**





## ANNEXURE

Annexure referred to and forming parts of auditors report of even date to the members of SKSE SECURITIES LTD.

As required by the Companies (Auditor's Report) Order, 2003 and in the terms of the information given to us and on the basis of such checks as we considered appropriate we further state that :

1) In respect of Fixed Assets:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.

b. According to the information and explanations given to us, most of the Fixed Assets 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 physical verification is reasonable having regard to the size of the Company and the nature of its Assets.

c. On the basis of the Books of accounts and other records produced before us, there is no disposal of substantial parts of Fixed Assets during the year and the going concern status of the Company is not affected.

2) In respect of Inventories :

Since the Company is engaged in only facilitating the trading of Securities between the Stock Exchange and the Clients, there is no question of Inventories to be held by the Company and therefore this clause not applicable.

3) As per records of the company and as per the information given to us, the Company has neither taken nor granted any loan or deposit to/from Companies, Firms, or other parties covered in the register maintained U/s. 301 of the Companies Act, 1956.

4) In our opinion and in accordance with the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets.

5) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register



maintained under section 301 of the Companies Act, 1956.

(b) In view of clause (v) (a) above, the clause (v) (b) is not applicable

6) According to the information & explanations given to us, the Company has not accepted any deposits

from the public. Therefore provisions of Clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

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

8) Maintenance of cost records U/s. 209(1) (d) of the Companies Act, 1956 is not applicable to the Company.

9) In respect of Statutory Dues:

According to the information given to us the Company is regular in depositing its undisputed statutory dues like Provident fund Scheme or Employee State Insurance Scheme, Income Tax, Service Tax.

Regarding the unpaid disputed amount, the details are given as under:

Particulars	Year to which the amount relates	Forum where the dispute is pending	Amount (Rs.) (In Lacs)	Remark
Service Tax	2007-09	The Commissioner of Central Excise (Appeals)	0.93	Pending for Order

10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11) Based on our audit procedures and the Information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of its dues to the Financial Institutions or Banks.

12) In our opinion and according to the information and explanation give to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.



- 13) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund /society. Accordingly provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Investments in its own. However, the Company has maintained proper records of the transactions and contracts in respect of Shares and Securities traded as Broker and timely entries have been made therein.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) The Company has not raised any term loans during the year.
- 17) According to the information and explanations given to us and on an overall examinations of the books of accounts of the Company , the Company has not utilized funds raised on short term basis for long term investment.
- 18) During the year Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s.301 of the Companies Act, 1956.
- 19) According to the information and explanations given to us, during the period covered by our Audit Report, the Company has not issued any debentures. Accordingly the provisions of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 20) According to the information and explanations given to us, during the period covered by our Audit Report, the Company has not raised money by public issue. Accordingly the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 21) According to the information and explanation given to us, during the period covered by our Audit Report , no fraud has been incurred in the Company.

For  
**KOTAK & CO.**  
Chartered Accountants  
ICAI FRN NO. 105276W

Sd/-  
**B.P.KOTAK**  
Proprietor  
M. NO. 30449

**Place : Rajkot**  
**Date : 27-08-2014**



**SKSE SECURITIES LTD.**  
BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTES	(Amt. In Rs.)	
		AS ON 31.03.2014	AS ON 31.03.2013
<b>EQUITY AND LIABILITIES :</b>			
<b>1) Shareholder's Funds</b>			
a) Shares Capital	1	30,740,000	30,740,000
b) Reserve & Surplus	2	57,972,890	54,462,034
<b>2) Share application money pending allotment</b>		0	0
<b>3) Non-current liabilities</b>			
a) Long-term borrowing	3	47,685,613	51,673,881
b) Deferred tax liabilities (Net)	4	329,000	396,000
<b>4) Current Liability</b>			
a) Trade Payables	5	30,119,148	61,773,469
b) Other current liabilities	6	1,675,313	1,790,576
c) Short-term provisions	7	399,722	305,841
<b>TOTAL</b>		<b>168,921,686</b>	<b>201,141,801</b>
<b>ASSETS :</b>			
<b>1) Non-current assets</b>			
a) Fixed assets	8		
i) Tangible assets		1,800,442	2,091,520
ii) Intangible assets		465,619	776,031
b) Non-current investment	9	4,060,194	4,060,194
<b>2) Current assets</b>			
a) Trade receivables	10	6,287,964	35,317,725
b) Cash and cash equivalents	11	110,814,369	111,352,648
c) Short - term loans and advances	12	10,026,659	10,864,082
d) Other current assets	13	35,466,439	36,679,601
<b>TOTAL</b>		<b>168,921,686</b>	<b>201,141,801</b>

**NOTES ON ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE

**FOR KOTAK & CO.**Chartered Accountants  
ICAI FRN NO. 105276W

Sd/-

**B. P. KOTAK**

PROPRIETOR

Membership No. 30449

**FOR SKSE SECURITIES LIMITED**

Director

Director

Place : Rajkot

Date : 27-08-2014

Director



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\* PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2014

PARTICULARS	NOTES	(Amt. In Rs.)	(Amt. In Rs.)
		2013 - 14	2012 - 13
<b>I Revenue from Operations</b>	<b>14</b>	7,272,085	9,104,369
<b>II Other Income</b>	<b>15</b>	9,397,764	10,746,918
<b>III Total Revenue (I+II)</b>		<b>16,669,849</b>	<b>19,851,287</b>
<b>IV Expenses :</b>			
Employee benefit expenses	<b>16</b>	6,529,583	9,660,212
Finance cost	<b>17</b>	603,667	723,693
Depreciation	<b>8</b>	852,573	1,202,184
Other expenses	<b>18</b>	6,651,650	8,409,847
<b>Total expenses</b>		<b>14,637,473</b>	<b>19,995,936</b>
<b>V Profit before tax (III-IV)</b>		<b>2,032,376</b>	<b>(144,649)</b>
<b>VI Tax expense</b>			
Provision for Taxation		565,000	
Provision For Deferred Tax		(67,000)	(69,000)
Short / (excess) provision of earlier years		0	
<b>Total expenses</b>		<b>498,000</b>	<b>(69,000)</b>
<b>VII Profit/(Loss) for the period from continuing operations (V-VI)</b>		1,534,376	(75,649)
<b>VIII Profit/(Loss) from discontinuing operations (after tax)</b>		<b>0</b>	<b>0</b>
<b>IX Profit/(Loss) for the period (VII+VIII)</b>		<b>1,534,376</b>	<b>(75,649)</b>
<b>X Earnings per equity share</b>			
Basic and Diluted	<b>19</b>	499	(25)

### NOTES ON ACCOUNTS

#### AS PER OUR REPORT OF EVEN DATE

#### FOR KOTAK & CO.

Chartered Accountants  
ICAI FRN NO. 105276W  
Sd/-  
**B. P. KOTAK**  
PROPRIETOR  
Membership No. 30449

Place : Rajkot

Date : 27-08-2014

#### FOR SKSE SECURITIES LIMITED

Director

Director

Director



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\* SIGNIFICANT ACCOUNTING POLICIES

**1) Basis of Preparation of Financial Statement :**

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) Basis of Accounting :**

The Company follows the mercantile system of accounting and recognizes revenue and expenditure on accrual basis.

**3) Use of Estimates :**

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.

**4) Fixed Assets :**

Fixed Assets acquired by the company are reported at acquisition value, with deduction for accumulated depreciation.

**5) Depreciation :**

Depreciation on the Fixed Assets is provided on the WDV method on the cost of acquisition less subsidy received & modvat/cenvat credit availed at the rate and in the manner prescribed in schedule XIV of the Companies Act, 1956 on monthly basis.

**6) Revenue Recognition :**

**i) Brokerage :**

From 03.06.05 as per the SEBI circular the company has started direct dealing with clients and charging full amount of Brokerage to clients. The company is keeping with its own share of brokerage (equal to the amount charged to sub-brokers before applying this circular and pass excess amount to sub-brokers as "Remiser" as per agreement entered between Company and sub-brokers. Accordingly co's share of brokerage is recognized as income. Details of which is as under:

	<u>2013-2014</u>	<u>2012-2013</u>
Gross Brokerage	<u>Rs. 36,285,457</u>	<u>38,518,738</u>
Less: Remission	Rs. 32,502,467	34,021,846
Net Brokerage trans. to Statement of Profit & Loss .A/c..	Rs. 3,782,990	4,496,892

**ii) DP income :**

(a) Income from the DP maintenance charges is recovered annually when the related maintenance charges fall due and it is recognized on the relevant date in proportion with the number of remaining months of the year from the due date. However from 01.01.12 it has been decided that, AMC is not charged on accounts, which has no transaction during the year and no balance in account.



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\* SIGNIFICANT ACCOUNTING POLICIES

- (b) Non refundable amount of DP deposit is treated as first year AMC & recognized accordingly.
  - (c) In case of Life Time Membership fees, the entire amount is considered as reserve and shown under the head of 'Reserve & Surplus'.
  - (d) The services rendered by DP department to the company are treated as self consumption.
- 7) The expenses of the company are shown as net of contribution received from the members.
- 8) **Expenses for Software are charged as follows:**
- (i) Software Expenses, net of specific amount received from Members / Sub-Brokers, if any, is charged to Profit & Loss A/c. except the unsupplied portion out of total delivery of software, which will be charged as and when the complete delivery is received. No Amount is provided for the work under process as its stage of completion and its amount is not ascertainable.
  - (ii) The contributions received from members are treated as deferred revenue and 1/3rd of it, is credited towards software exp.
  - (iii) It is the policy of the company that the software expenses which endure future additional benefits are to be treated as capital expenditure.
  - (iv) Subject to above entire expenses of software is treated as revenue.
- 9) Preliminary Expenses is written of @ 1/10th of the total expenses.
- 10) **Tax on Income :**
- Company has applied for registration u/s. 12A of the Income Tax Act, 1961 and the Company had filled appeal before ITAT for F.Y. 2000-01 to 2003-04 and ITAT had decided the matter in favour of the Company therefore the provision made for the taxation up to F.Y.03-04. Due to change in status from F.Y 2004-05 it is provided as per the applicable provision of the Income –Tax Act 1961 under the Status of "Company" .
- Deferred Tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 11) **Earning Per Share :**
- Basic Earning per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

### **NOTES ON ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE

**FOR SKSE SECURITIES LIMITED**

#### **FOR KOTAK & CO.**

Chartered Accountants  
ICAI FRN NO. 105276W  
Sd/-

Director

Director

#### **B. P. KOTAK**

PROPRIETOR  
Membership No. 30449

Director

**Place : Rajkot**

**Date : 27-08-2014**



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013		
<b>1) SHARE CAPITAL</b>				
<b>- Authorised Share Capital</b>				
<b>Class : A</b>				
360 (360) Equity Sahres of Rs. 1,00,000/- (Rs. One Lacs) each	36,000,000	36,000,000		
<b>Class : B</b>				
3400 (3400) Equity Share of Rs. 10,000/- (Rs. Ten Thousand) each	34,000,000	34,000,000		
	<b>70,000,000</b>	<b>70,000,000</b>		
<b>- Issued, Subscribed And Paid Up</b>				
<b>Class : A</b>				
300 (300) Equity Shares of Rs. 1,00,000/- each fully paid up	30,000,000	30,000,000		
<b>Class : B</b>				
74 (74) Equity Shares of Rs. 10,000/- (Rs. Ten Thousand) each fully paid up	740,000	740,000		
<b>TOTAL Rs.</b>	<b>30,740,000</b>	<b>30,740,000</b>		
<b>RECONCILIATION OF SHARE CAPITAL (EQUITY)</b>	<b>Number</b>	<b>Amounts</b>	<b>Number</b>	<b>Amounts</b>
<b>Balance at the beginning of the year</b>	<b>374</b>	<b>30,740,000</b>	<b>374</b>	<b>30,740,000</b>
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
<b>Balance at the end of the year</b>	<b>374</b>	<b>30,740,000</b>	<b>374</b>	<b>30,740,000</b>
<b>Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company</b>	300	30,000,000	300	30,000,000
<b>- Shareholders holding more than 5% of the shares</b>				
<b>Class : A</b>				
Saurashtra Kutch Stock Exchange Ltd. (out of above 300 shares, 11 shares held in joint name with others)	300	30,000,000	300	30,000,000





## SKSE SECURITIES LTD. RAJKOT \*2013-2014\* NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013
<b>2) RESERVE &amp; SURPLUS (Other Reserve</b>		
<b>A] CORPUS FUNDS :</b>		
(from Saurashtra Kutch St. Ex. Ltd. Holding Co.)		
Balance at the beginning of the year	8,507,000	8,507,000
Add : Additions made during the year	0	0
Less : Deletions made during the year	0	0
Balance at the end of the year	<b>8,507,000</b>	<b>8,507,000</b>
<b>B] HARDWARE FUND :</b>		
Balance at the beginning of the year	2,230,000	2,230,000
Add : Additions made during the year	0	20,000
Less : Deletions made during the year	0	0
Balance at the end of the year	<b>2,230,000</b>	<b>2,230,000</b>
<b>C] LIFE MEMBERSHIP FUND-DP :</b>		
Balance at the beginning of the year	6,027,760	5,163,760
Add : Additions made during the year	1,976,480	864,000
Less : Deletions made during the year	0	0
Balance at the end of the year	<b>8,004,240</b>	<b>6,027,760</b>
<b>D] SECURITY PREMIUM :</b>		
Balance at the beginning of the year	456,300	456,300
Add : Additions made during the year	0	0
Less : Deletions made during the year	0	0
Balance at the end of the year	<b>456,300</b>	<b>456,300</b>
<b>E] SURPLUS IN THE STATEMENT OF PROFIT AND LOSS :</b>		
Balance at the beginning of the year	37,240,974	37,316,623
Add : Transferred from statement of profit and loss	1,534,376	(75,649)
Balance at the end of the year	<b>38,775,350</b>	<b>37,240,974</b>
<b>TOTAL</b>	<b>57,972,890</b>	<b>54,462,034</b>



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013
<b>3) LONG -TERM BORROWINGS</b>		
<b>Secured</b>		
Bank of India - OD (Secured against Fixed deposit )	13,156	2,273,756
<b>Unsecured</b>		
Deposits (from members, sub-brokers & Client)	47,672,457	49,400,125
<b>TOTAL</b>	<b>47,685,613</b>	<b>51,673,881</b>
(It is considered as long term as there is no tipulation for the terms of repayment and it is most likely to be repaid after one year)		
<b>4) DEFERRED TAXES LIABILITY (NET)</b>		
Opening Balance	396,000	465,000
Add/Less: Current Year	(67,000)	(69,000)
<b>TOTAL</b>	<b>329,000</b>	<b>396,000</b>
<b>5) TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	0	0
Others	30,119,148	61,773,469
<b>TOTAL</b>	<b>30,119,148</b>	<b>61,773,469</b>
The details of amt. payable to Micro, Small and Medium Enterprises is based on available information with the company.		
<b>6) OTHER CURRENT LIABILITIES</b>		
Statutory Liability	311,746	285,091
Advance Received	1,363,567	1,505,485
<b>TOTAL</b>	<b>1,675,313</b>	<b>1,790,576</b>
<b>7) SHORT - TERM PROVISIONS</b>		
Provision for Expenses	399,722	305,841
<b>TOTAL</b>	<b>399,722</b>	<b>305,841</b>



### 8. FIXED ASSETS

Sr. No.	PARTICULARS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			OP. BAL	ADD.	DED.	TOTAL	OP. BAL	ADD.	DED.	TOTAL	31.03.14	31.03.13
<b>TANGIBLE ASSETS :</b>												
1	Office Building	5.00%	678,800	0	0	678,800	212,798	23,302	0	236,100	442,700	466,002
2	Computer	40.00%	12,404,216	291,005	852,266	11,842,955	11,486,455	416,866	848,244	11,055,077	787,878	917,761
3	Furniture & Fixture	18.10%	384,096	0	0	384,096	274,942	19,757	0	294,699	89,397	109,154
4	Office Equipment	13.91%	209,582	0	0	209,582	127,716	11,388	0	139,104	70,478	81,866
5	V-SAT	15.33%	1,282,463	0	0	1,282,463	1,004,314	42,640	0	1,046,954	235,509	278,149
6	Zerox Machine	13.91%	85,460	0	0	85,460	63,269	3,087	0	66,356	19,104	22,191
7	Air Conditioner	13.91%	207,861	0	0	207,861	94,296	15,797	0	110,093	97,768	113,565
8	Television	13.91%	13,000	0	0	13,000	9,271	519	0	9,790	3,210	3,729
9	Maruti Zen-Ix	25.89%	416,375	0	416,915	0	380,475	0	380,475	0	0	35,900
10	Cycle	20.00%	2,075	0	0	2,075	1,849	45	0	1,894	181	226
11	R.O. Plant	13.91%	150,260	0	0	150,260	87,283	8,760	0	96,043	54,217	62,977
<b>TOTAL (A)</b>			<b>15,834,188</b>	<b>291,005</b>	<b>1,268,641</b>	<b>14,856,552</b>	<b>13,742,668</b>	<b>542,161</b>	<b>1,228,719</b>	<b>13,056,110</b>	<b>1,800,442</b>	<b>2,091,520</b>
<b>Previous Year</b>			<b>17,734,219</b>	<b>210,600</b>	<b>2,110,631</b>	<b>15,834,188</b>	<b>15,132,600</b>	<b>684,830</b>	<b>2,074,762</b>	<b>13,742,668</b>	<b>2,091,250</b>	<b>2,601,619</b>
<b>INTANGIBLE ASSETS :</b>												
12	Computer Software	40.00%	3,469,842	0	0	3,469,842	2,693,811	310,412	0	3,004,223	465,619	776,031
<b>TOTAL (B)</b>			<b>3,469,842</b>	<b>0</b>	<b>0</b>	<b>3,469,842</b>	<b>2,693,811</b>	<b>310,412</b>	<b>0</b>	<b>3,004,223</b>	<b>465,619</b>	<b>776,031</b>
<b>Previous Year</b>			<b>3,469,842</b>	<b>0</b>	<b>0</b>	<b>3,469,842</b>	<b>2,176,457</b>	<b>517,354</b>	<b>0</b>	<b>2,693,811</b>	<b>776,031</b>	<b>1,293,385</b>
<b>GRAND TOTAL (A + B)</b>			<b>19,304,030</b>	<b>291,005</b>	<b>1,268,641</b>	<b>18,326,394</b>	<b>16,436,479</b>	<b>852,573</b>	<b>1,228,719</b>	<b>16,060,333</b>	<b>2,266,061</b>	<b>2,867,551</b>
<b>Previous Year</b>			<b>21,204,061</b>	<b>210,600</b>	<b>2,110,631</b>	<b>19,304,030</b>	<b>17,309,057</b>	<b>1,202,184</b>	<b>2,074,762</b>	<b>16,436,479</b>	<b>2,867,551</b>	<b>3,895,004</b>



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013
<b>9) NON CURRENT INVESTMENT :</b>		
Equity shares of BSE Ltd. (unquoted) 100347 (100347) Equity Share of Rs. 1 each fully paid up (Valued at cost) (see Note No. 26)	4,060,194	4,060,194
<b>TOTAL</b>	<b>4,060,194</b>	<b>4,060,194</b>
<b>10) TRADE RECEIVABLE (UNSECURED)</b>		
Over six months		
good	2,500	5,630,515
doubtful	0	820,000
	2,500	6,450,515
Other (Considered good)	7,361,964	29,687,210
	7,364,464	36,137,725
Less: Provision for bad & doubtful debt	1,076,500	820,000
<b>TOTAL</b>	<b>6,287,964</b>	<b>35,317,125</b>
<b>11) CASH AND CASH EQUIVALENTS</b>		
Balances with bank in Current A/C	19,183,503	21,607,305
Cash on hand	60,001	45,206
Balances with bank in Fixed Deposits*	91,570,865	89,700,137
(1) Held - Against OD limit	18,528,394	18,528,394
(2) Held - Margin Money against Guarantee	647,957	647,957
(3) Given to stock ex. As deposit	51,269,513	52,985,785
<b>TOTAL</b>	<b>110,814,369</b>	<b>111,352,648</b>
*Fixed deposits *Fixed deposits with banks include deposit of Rs 2,41,44,494 (pre. Yr. Rs. 3,01,85,957) with maturity of more than 12 months.		
<b>12) SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Advance against Government Dues		
Advance Tax (net of provision)	6,728,859	6,422,637
Advance Recoverable in Cash & Kind		4,441,445
Saurashtra Kutch Stock Exchange Ltd.	146,251	
Other advances	3,151,549	
<b>TOTAL</b>	<b>10,026,659</b>	<b>10,864,082</b>
<b>13) OTHER CURRENT ASSETS</b>		
Accrued interest on Fixed Deposit	1,630,595	1,682,930
Deposits	33,648,453	34,054,453
Prepaid Expenses	136,953	775,807
Forms (KYC, DP, POA)	50,438	94,560
Preliminary Expense (to the extent not written off)	0	71,851
<b>TOTAL</b>	<b>35,466,439</b>	<b>36,679,601</b>



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\* NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013
<b>14) REVENUE FROM OPERATIONS</b>		
Income from services	7,272,085	9,104,369
<b>TOTAL</b>	<b>7,272,085</b>	<b>9,104,369</b>
<b>PARTICULARS OF SALES OF SERVICES</b>		
Brokerage	3,782,990	4,496,884
Maintenance Charges -DP	2,593,121	3,743,588
Processing Charges - DP	1,568,708	1,599,329
Less: Paid to CDSL/MSFPL	807,391	808,542
Slae of Forms & Stationary	134,657	73,110
<b>TOTAL</b>	<b>7,272,085</b>	<b>9,104,369</b>
<b>15) OTHER INCOME</b>		
Interest Income	8,606,084	8,929,977
Dividend Income (From BSE Ltd)	401,388	602,082
Software Installation Income	10,000	20,000
Misc. Income	13,734	141,786
NSE/BSE T.O. Charges (net)	209,159	563,043
Penalty Charges	77,821	100,777
Recovery of W/off Bad Debt	0	1,614
Profit on sale of asset	79,578	14,631
Prior Period Item - excess dep. w/b	0	0
Excess prov. No more required		373,008
Provision for bad & doubtful debt		170,000
Provision for bonus		203,008
<b>TOTAL</b>	<b>9,397,764</b>	<b>10,746,918</b>
<b>16) EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & Wages	5,465,397	7,765,885
Leave Encashment	2,970	405,559
Bonus & Ex-gratia	243,573	389,272
Diwali Allowance	181,000	0
P.F. Contribution & P.F. Admin Charges	458,529	441,292
Regulatory Award	0	149,421
Staff Special Allowance	19,371	132,700
Gratuity Exp.	13,200	59,417
Stipend Exp.	22,106	128,044
Welfare Expenses	132,437	188,622
<b>TOTAL</b>	<b>6,529,583</b>	<b>9,660,212</b>
<b>17) FINANCE COSTS</b>		
Bank Interest	54,459	43,070
Bank Guarantee Fee/Commission	109,689	101,575
Bank Charges	1,420	12,846
Other Interest Exp.	437,847	566,067
Other Interest Exp. -TDS	252	135
<b>TOTAL</b>	<b>603,667</b>	<b>723,693</b>



## SKSE SECURITIES LTD. RAJKOT \*2013-2014\*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013
<b>18) OTHER EXPENSES</b>		
Meeting & Seminar Expenses		
Other Meetings & Seminar	18,988	25,327
P.R. Sitting Fees	28,000	33,000
Statutory, Legal & Professional Expenses		
Charges paid to BSE/NSE/Other	786,284	1,245,990
Charges paid to BOISL	251	224
Legal & Professional Fee	543,590	364,625
Professional Tax	2,000	2,000
Auditors Remuneration	78,500	87,500
Office & Other Expenses		
Rates & Taxes	303,556	381,826
Electricity	781,857	1,198,887
Insurance Expenses	99,531	232,075
Assets Usage Charge	1,800,000	1,800,000
Security Service Charge	375,000	427,376
Advertisement Exp.	0	0
Annual Subscriptions	138,738	107,000
Service Tax Exp.	0	0
Penalty Charge	11,000	0
Printing & Stationary & Zerox	320,475	370,932
Postage, Telegram & Telephone	570,143	920,987
Vehicle Expenses	17,702	63,707
Misc. Exp.	186,860	67,816
Provision for Bad & Doubtful Debt	256,500	0
Preliminary Exp. W/off	71,851	82,150
Repair & Maintenance		
Building	5,119	139,371
Office Equipment & Furniture/Fixture	9,280	512,626
Vehicle	732	44,388
Software	190,597	230,488
Computer & UPS	0	33,428
Repair & Maintenance DP	16,406	0
Travelling Expenses	38,690	38,124
<b>TOTAL</b>	<b>6,651,650</b>	<b>8,409,847</b>
<b>19) EARNING PER SHARE</b>		
Profit / ( Loss ) after taxation for the year (after tax expenses for the year)	1,534,376	(75,649),
Weighted Avg. Number of Equity Share	3,074	3,074
Basic and diluted Earning Per Share	499	(25)
Nominal Value Per Share	10,000	10,00,0

**NOTES ON ACCOUNTS****20] CONTINGENT LIABILITY****[A] SERVICE TAX :**

Details of disputed Service tax Appeals is as under:

<b>Asst. Year</b>	<b>Order Appealed Against Service Tax</b>	<b>Whether Appeal is Pending</b>	<b>If yes, Before whom</b>	<b>Disputed Amt.</b>	<b>Remark</b>
2007-09	O/O no. 112/ST/2011	Yes	The Commissioner Central Excise (Appeals)	92,606/-	Pending for Order

Since the above stated demands are disputed in appeal the Board is of the opinion that no provision is required thereof. The appeal is remanded to the original adjudicating authority vide order date 31.07.2014



### AMOUNT RS.

	<u>2013-14</u>	<u>2012-13</u>
<b>21] DETAILS OF EXPENSES :</b>		
[A1] Service charges to BSE: (Net of Service Tax Set Back)		
1] Lease line Charges	685,915	1,096,814
2] Investor Protection fund –BSE	3,863	4,320
3] Trade Guarantee Fund	3,781	4,320
4] General Charges Account - BSE	7,500	9,400
5] Fine for BSE	11,000	3,115
6] NSE Exp	85,225	128,021
Transferred to Statement of Profit & Loss Account	797,284	1,245,990
[B] COMPUTER SOFTWARE & ODIN EXPENSES:		
Gross Expenses	932,664	1,161,621
Less: Contribution received from Members/Sub Brokers	742,067	931,133
Net Exp. Trans. to Statement of Profit & Loss A/c.	190,597	230,488
[C] Remuneration to Auditors :		
1] Audit Fees	54,000	54,000
2] Tax Audit Fees	11,000	11,000
3] Taxation Matter	7,000	7,000
4] Other Services	6,500	15,500
<b>Total</b>	<b>78,500</b>	<b>87,500</b>

### 22] FINES & PENALTY :

The Company has paid Penalty to following organizations. The details of which are as under:

	<b>2013-14</b>	<b>2012-13</b>
Paid to NSE	0	0
Paid to BSE	11,000	3,115

### 23] EMPLOYEE BENEFITS :

Company has created a trust under the LIC Group Gratuity Scheme for Gratuity and it is administered by trustees.

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:





### Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognized as expenses for the year are as follows:

Description	For the year ended 31/03/2014	For the year ended 31/03/2013
Employers Contribution to Provident Fund	4,08,115	3,65,476

### Defined Benefit Plan

Provision for gratuity amounting to Rs.13,200/- has been made towards liability for the year ended 31/03/2014 as per actuarial valuation given by the LIC.

### 24] DEFERRED TAXATION :

The deferred tax liability as at 31<sup>st</sup> March, 2014 comprise of the following:

Description	Rs. in Lacs	
	As at 31st March, 2014	As at 31st March, 2013
Deferred tax liability in respect of Fixed Assets	3.29	3.96

### 25] RELATED PARTY TRANSACTIONS :

#### I. List of related parties:

Sr.	Name of the Related Party	Relationship
1.	Saurashtra Kutch Stock Exchange Ltd.	Holding Company
2.	Key Management Personnel	
a)	C. B. Dedakia	Chief Executive Officer

#### II Transaction during the year with related parties :

##### (A) With Holding Company :

(I)	Expenses Re-imbursed to SKSE LTD.	2013-14	2012-13
(a)	For Personnel cost:	0	38,21,658
(b)	For following Other Services :		
	Rates & Taxes	1,90,588	266,823
	Electricity Exp.	6,70,650	947,981
	Insurance Exp.	NIL	76,655
	Repair & Maintenance	NIL	546,127
	Diesel Expenses	NIL	40,486
(II)	Usage Charge Exp. (incl Ser. Tax)	2,022,480	20,022,480



### AMOUNT RS.

	<u>2013-14</u> <u>(Salary +</u> <u>Allowance)</u>	<u>2012-13</u> <u>(Salary +</u> <u>Allowance)</u>
(B) <b>Payment to Key Personnel (E.D &amp; CEO)</b>		
A. H. Koyani	0	1,012,427
C.B. Dedakia	1,15,000	0

### 26] INVESTMENT :

As per Demutualization scheme of Bombay Stock Exchange in the F.Y. 2005-06, all the card holders of Bombay Stock Exchange were compensated for the following two items in lieu of BSE card.

(a) 10000 Equity Shares of Re.1 at par of BSE Ltd.

(b) Trading Rights

Since the Fair Market Value of the card is not ascertainable; the value paid for the card i.e. Rs. 52,50,000/- is treated as the part of the cost / conversion value of the share of BSE Ltd, and accordingly the value of the share of the BSE Ltd. is taken and in the opinion of the board of directors, the same will not be less than it. Appropriate entry has been passed during the F.Y. 2006-07 by debiting the Investment Account by 52,50,000/- in addition to the amount paid i.e. Rs. 10,000. (10,000 Shares @ Re. 1 Each).

- 27] In the Opinion of the Board of Directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 28] 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.
- 29] a. The balances of Sundry Debtors, Clients' A/cs, Loans & Advances, Members deposits, and Sundry Creditors are subject to confirmation.  
b. Some bank accounts, Balance of SEBI Turnover fees, the Balance of Service Tax and Balance of pay in/out with BSE/NSE are subject to reconciliation, confirmation and consequential adjustment if any.
- 30] Income and Expenses in foreign currency is Nil.
- 31] Previous year's figures are regrouped and rearranged wherever found necessary.

**SIGNATURE TO NOTES "1" TO "31"**  
AS PER OUR REPORT OF EVEN DATE

**FOR SKSE SECURITIES LIMITED**

**FOR KOTAK & CO.**  
Chartered Accountants  
ICAI FRN NO. 105276W  
Sd/-  
**B. P. KOTAK**  
PROPRIETOR  
Membership No. 30449

Director Director  
  
Director

**Place : Rajkot**  
**Date : 27-08-2014**



## SAURASHTRA KUTCH STOCK EXCHANGE LIMITED (derecognized)

"POPATBHAI SORATHIA BHAVAN", SADAR BAZAR, RAJKOT – 360 001  
PHONE: 2442145, 2475721 FAX: 0281-2477576, CIN:U67110GJ2005PLC45694  
Web site : www.skssl.com

### FORM OF PROXY

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

<b>Name of Member(s) :</b>	
<b>Registered Address :</b>	
<b>E-Mail Id :</b>	
<b>Folio No/Client ID :</b>	
<b>DP ID :</b>	

I/We being member (s) of SAURASHTRA KUTCH STOCK EXCHANGE LIMITED hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her, Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the company to be held on the Saturday, 27<sup>th</sup> September, 2014 at 11:00 A.M at Popatbhai Sorathia Bhavan, Sadar Bazar, Rajkot-360001 and at any adjournment thereof.

Affix Revenue  
Stamp of  
1 Rs.

Signed this ..... day of ..... 2014

Signature across the revenue stamp

**NOTE:**

The proxy from duly completed must be returned so as to reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the company.



## SAURASHTRA KUTCH STOCK EXCHANGE LIMITED (derecognized)

"POPATBHAI SORATHIA BHAVAN", SADAR BAZAR, RAJKOT – 360 001  
PHONE: 2442145, 2475721 FAX: 0281-2477576, CIN:U67110GJ2005PLC45694  
Web site : www.skssl.com

### ATTENDANCE SLIP

**(To be filled in and presented at the entrance of the meeting venue)**

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company on Saturday, 27<sup>th</sup> September, 2014 at 11:00 a.m. at "Popatbhai Sorathia Bhavan", Sadar Bazar, Rajkot-360001.

Full Name of the \*Shareholder / Proxy  
(In block letters)

\*Strike out whichever is not applicable

Signature of \*Shareholder / Proxy

<b>Ledger Folio</b>	
<b>No of Shares hold</b>	

**NOTE:**

- Members who have multiple folios with different joint – holders my use copies of this attendance slip.
- You are requested to sign and hand over this slip at the entrance.