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**Independent Auditor's Report on Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To The Board of Directors of  
SKP Securities Limited**

**Opinion**

We have audited the accompanying quarterly standalone financial results of SKP Securities Limited ("the Company") for the quarter and year ended 31<sup>st</sup> March, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- i. are presented in accordance with the requirements of Regulations 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive losses and other financial information for the quarter and year ended 31<sup>st</sup> March, 2020.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Emphasis of Matter**

We draw attention to note no. 7 of the Statement regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Company is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.



## **Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net loss and other comprehensive losses and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to



draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

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

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

#### Other Matters

- a. The Statement include the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figure between the audited figures in respect of full financial year ended 31<sup>st</sup> March, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

CA. Sunita Kedia  
Partner  
Membership No. 60162  
UDIN: 20060162AAAABH3516

Place of Signature: Kolkata  
Date: The 27th day of June, 2020



STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

( in Lacs)

PARTICULARS	Quarter Ended			Year ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>1 Revenue from Operations</b>					
(a) Interest Income	29.18	30.19	22.49	110.36	89.99
(b) Brokerage and Fee Income	284.04	251.56	191.45	980.98	959.47
(c) Net Gain on Fair Value Changes	0.22	29.80	39.65	11.01	149.05
<b>Total Revenue from Operations</b>	<b>313.44</b>	<b>311.55</b>	<b>253.59</b>	<b>1,102.35</b>	<b>1,198.51</b>
<b>2 Other Income</b>	5.60	5.63	55.14	5.79	2.82
<b>3 Total Income (1+2)</b>	<b>319.04</b>	<b>317.18</b>	<b>308.73</b>	<b>1,108.14</b>	<b>1,201.03</b>
<b>4 Expenses</b>					
(a) Finance Cost	7.35	1.49	10.05	15.93	31.31
(b) Brokerage and Fee Expenses	82.10	55.62	37.23	224.63	187.75
(c) Net loss on Fair Value Changes	139.80	-	-	80.83	-
(d) Employee Benefits Expenses	85.83	100.70	93.22	374.98	346.77
(e) Depreciation and Amortisation Expenses	40.17	6.77	6.63	60.36	28.26
(f) Other Expenses	2.37	140.26	144.56	349.69	394.03
<b>Total Expenses</b>	<b>357.62</b>	<b>304.84</b>	<b>291.69</b>	<b>1,106.42</b>	<b>958.12</b>
<b>5 Profit before Exceptional Items and Tax</b>	<b>-38.58</b>	<b>12.34</b>	<b>17.04</b>	<b>1.72</b>	<b>242.91</b>
<b>6 Exceptional Items</b>	-	-	-	-	-
<b>7 Profit before Tax</b>	<b>-38.58</b>	<b>12.34</b>	<b>17.04</b>	<b>1.72</b>	<b>242.91</b>
<b>8 Tax Expenses</b>					
(a) Current Tax	-6.41	4.87	3.68	8.85	58.45
(b) Deferred Tax	37.03	-2.61	-3.24	21.81	1.35
<b>9 Net Profit for the Period</b>	<b>-69.20</b>	<b>10.08</b>	<b>16.60</b>	<b>-28.94</b>	<b>183.11</b>
<b>10 Other Comprehensive Income (net of tax)</b>					
(a) Items that will not be reclassified to Profit or Loss	-5.04	-	-3.49	-5.04	-3.49
(b) Income tax relating to items that will not be reclassified to Profit or Loss	1.40	-	0.97	1.40	0.97
<b>10 Total Comprehensive Income (Net of tax)</b>	<b>-72.84</b>	<b>10.08</b>	<b>14.08</b>	<b>-32.58</b>	<b>180.59</b>
<b>11 Paid-up Equity Share Capital of Rs. 10/- each</b>	<b>340.44</b>	<b>340.44</b>	<b>439.94</b>	<b>340.44</b>	<b>439.99</b>
<b>12 Other Equity</b>					<b>2,463.91</b>
<b>13 Earning per Share (of Rs.10/- each) (not annualised):</b>					
a) Basic	-2.47	0.26	0.38	-1.08	4.16
b) Diluted	-2.47	0.26	0.38	-1.08	4.16

Notes:

- Above Results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26th June, 2020 and 27th June, 2020 respectively.
- Figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between audited figures in respect of full financial year and the unaudited published year-to-date figures up to the third quarter ended 31st December, 2019 and 31st December, 2018 respectively.
- Since the Company is operating under one broad business segment, segment reporting is not required.
- The Company has disinvested its only subsidiary company SKP Insurance Advisors Private Limited on 01.01.2020.
- The Company has adopted IND AS 116 "Leases" with the date of initial application being 1st April, 2019, using the modified retrospective method. On transition to IND AS 116, Right of use assets as at 1st April, 2019 for lease previously classified as operating lease were recognised and measured at an amount equal to lease liabilities and there is no impact on the retained earnings on account of the above information. Accordingly, previous period information has not been reinstated.  
  
The adoption of IND AS 116 resulted in recognition of 'Right of Use' asset of Rs. 83.55 lakh and also Financial lease obligation amounting to Rs. 83.55 lakh.
- Pursuant to the approval of the Board of Directors on 27th April, 2019 and Shareholders by way of Postal Ballot on 22nd June, 2019, the company has completed Buyback of 9,95,000 equity shares of Rs.10/- each at a price of Rs. 70/- per share for an aggregate amount of Rs. 696.50 lacs in accordance with the SEBI (Buyback of Securities) Regulations, 2018 and Companies Act, 2013 (as amended). The buyback offer period commenced on 25th October, 2019 and closed on 8th November, 2019.
- Covid-19 Pandemic has caused major macroeconomic disruption and slowdown, adversely affecting financial markets and investors in India and globally. The Company has evaluated the impact of this pandemic on its business operations. Except for sharp fall in Fair Market Value of its Proprietary Investments, there is no other significant impact on its Financial Results for the year ended 31-03-2020. However, the Company envisages adverse impact on company's business in the ensuing year and will continue to closely monitor the evolving situation and take remedial measures.
- Previous periods figures have been regrouped/ rearranged wherever found necessary.

Place of Signature : Kolkata  
Date: 27th June 2020

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For and on behalf of the Board

NARESH  
PACHISIA  
Naresh Pachisia  
Managing Director  
(DIN 00233768)



**SKP SECURITIES LIMITED**  
CIN: L74140WB1990PLC049032

**BALANCE SHEET AS AT 31ST MARCH, 2020**

( in Laes)

Particulars		As at 31st March, 2020	As at 31st March, 2019
<b>I.</b>	<b>ASSETS</b>		
(1)	<b>Financial Assets</b>		
	(a) Cash and Cash Equivalents	19.71	53.71
	(b) Bank Balances other than (a) above	1,151.84	249.57
	(c) Receivables		
	(i) Trade Receivables	403.70	209.03
	(d) Investments	493.68	1,743.12
	(e) Other Financial Assets	333.18	607.12
	<b>Total Financial Assets</b>	<b>2,402.11</b>	<b>2,862.55</b>
(2)	<b>Non - Financial Assets</b>		
	(a) Current Tax Assets (Net)	9.63	-
	(b) Deferred Tax Assets (Net)	-	14.65
	(c) Property, Plant and Equipment	388.98	408.84
	(d) Right of Use Assets	50.71	-
	(e) Other non Financial Assets	80.19	36.11
	<b>Total Non Financial Assets</b>	<b>529.51</b>	<b>459.60</b>
	<b>Total Assets</b>	<b>2,931.62</b>	<b>3,322.15</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Financial Liabilities</b>		
	(a) Payables		
	(i) Trade Payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	543.29	216.78
	(b) Borrowings (other than Debt Securities)	22.36	41.45
	(c) Other Financial Liabilities	181.62	128.02
	<b>Total Financial Liabilities</b>	<b>747.27</b>	<b>386.25</b>
(2)	<b>Non - Financial Liabilities</b>		
	(a) Current Tax Liabilities (Net)	-	15.14
	(b) Deferred Tax Liabilities (Net)	7.16	-
	(c) Provisions	10.89	8.56
	(d) Other Non Financial Liabilities	11.04	8.29
	<b>Total Non Financial Liabilities</b>	<b>29.09</b>	<b>31.99</b>
(3)	<b>Equity</b>		
	(a) Equity Share Capital	340.44	439.94
	(b) Other Equity	1,814.82	2,463.97
	<b>Total Equity</b>	<b>2,155.26</b>	<b>2,903.91</b>
	<b>Total Equity and Liabilities</b>	<b>2,931.62</b>	<b>3,322.15</b>

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**SKP SECURITIES LIMITED**  
CIN: L74140WB1990PLC049032

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

( in Laacs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	5.72	242.91
Adjustments to reconcile Profit before Tax to Cash Flow provided by Operating Activities :		
Finance Costs	15.93	31.31
Dividend Income	(0.05)	(0.05)
Depreciation & Amortisation Expense	60.36	28.26
Profit on sale of investments	(11.01)	(74.39)
Net Loss/(Gain) on Fair Value Changes	80.83	(74.66)
Bad Debts written off	-	0.97
<b>Operating Profit before Working Capital changes adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :</b>	<b>151.78</b>	<b>154.35</b>
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	324.55	(186.30)
Decrease/(Increase) in Trade Receivables, Loans, Advances and Other Assets	(867.08)	161.09
<b>Cash Generated from Operations</b>	<b>(390.75)</b>	<b>129.14</b>
Less: Tax Expense	(33.62)	(83.44)
<b>Net Cash Generated / (Used) - Operating Activities</b>	<b>(424.37)</b>	<b>45.70</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(38.21)	(3.54)
Purchase of Investments	(2,011.60)	(2,344.65)
Sale of Investments	3,179.00	2,619.53
Sale of Subsidiary	12.22	-
Dividend Income	0.05	0.05
<b>Net Cash Generated / (Used) - Investing Activities</b>	<b>1,141.46</b>	<b>271.39</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Shares	(696.50)	-
Expenses on Buyback	(19.57)	-
Repayment of Long Term Borrowings	(19.00)	(108.23)
Proceeds from/(repayment of) Short Term Borrowings (Net)	(0.09)	(106.03)
Finance Cost	(15.93)	(31.31)
<b>Net Cash Generated / (Used) - Financing Activities</b>	<b>(751.09)</b>	<b>(245.57)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(34.00)</b>	<b>71.52</b>
<b>Opening Cash and Cash Equivalents</b>	<b>53.71</b>	<b>(17.81)</b>
<b>Closing Cash and Cash Equivalents</b>	<b>19.71</b>	<b>53.71</b>

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