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SANSO SERVICES
SECRETARIES COMPANY



MD	✓		BKC	✓
CS	m		DPY	MA
RO	✓		DIV	MA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

BOARD OF DIRECTORS**Chairman**

M G Damani

Vice-Chairman

Surender Kumar Pachisia

Directors

Suresh G Vaidya

G L Sultania

R L Kapur

Ramesh K Damani

Ram R Tavargeri

Jayant A Kher

Naresh Pachisia (Managing Director)

Rajesh Pachisia (Managing Director)

Suresh K Biyani (Alternate Director to Ramesh K Damani)

Auditors

U S Agarwal & Associates

42/1, B. B. Ganguly Street

Calcutta-700 012

Bankers

United Bank of India

HDFC Bank Ltd.

Standard Chartered Bank

Registered Office

308, Shantiniketan

8, Camac Street

Calcutta 700 017

Phone : 242-8719/8793

Fax : 242-7553

E-mail : skpsec@giasecl01.vsnl.net.in

Registrar & Share Transfer Agent

AMI Computers (I) Ltd.

60A & 60B Jawaharlal Nehru Road

Calcutta - 700 020

Phone : 240-6776/9251

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of SKP Securities Limited will be held at Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Calcutta-700 001, on Saturday, the 1st day of August, 1998 at 3.00 P. M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G. L. Sultania, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R. L. Kapur, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. G. Vaidya, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit to pass with or without modifications, following resolution to be proposed as an ordinary resolution.

"RESOLVED that Mr. Surender Kumar Pachisia, who holds office as an Additional Director upto the date of this meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director liable to retire by rotation."

7. To consider and, if thought fit to pass with or without modifications, following resolution to be proposed as an ordinary resolution.

"RESOLVED that Mr. Jayant A Kher, who holds office as an Additional Director upto the date of this meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director liable to retire by rotation."

Registered Office :
308, Shantiniketan
8, Camac Street
Calcutta - 700 017
Date : April 17, 1998

By Order of the Board
NARESH PACHISIA
Managing Director

Notes :

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 1st August, 1998 to Saturday, 8th August, 1998, both days inclusive.
4. Members are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent of the Company - AMI Computers (I) Ltd., 60A & 60B Chowringhee Road, Calcutta - 700 020.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Shri Surender Kumar Pachisia, Chairman and Whole-Time Director of erstwhile SKP Brokerage Limited (amalgamated with the Company w. e. f. 1st April, 1996 pursuant to order dated 24.11.1997 of the Hon'ble High Court at Calcutta) was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 29th December, 1997 effective from the date of the meeting pursuant to the provisions contained in Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company, he holds office upto the date of this Annual General Meeting. Notice under section 257 of the Companies Act, 1956 has been received, alongwith a deposit of Rs. 500/- from a member proposing the appointment of Shri Surender Kumar Pachisia as Director of the Company at this general meeting, liable to retire by rotation.

The Directors feel that Shri Surender Kumar Pachisia's continuance on the Board of Directors of the Company would be in the interest of the Company and therefore recommend your approval to the resolution in the interest of the Company.

None of the Directors, other than Shri Surender Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia is concerned and/or interested in the aforesaid resolution.

ITEM NO. 7

Shri Jayant A. Kher, Director in the erstwhile SKP Brokerage Limited (amalgamated with the Company w. e. f. 1st April, 1996 pursuant to order dated 24.11.1997 of the Hon'ble High Court at Calcutta) was appointed as an additional Director by the Board of Directors of the Company at its meeting held on 29th December, 1997 effective from the date of the meeting pursuant to the provisions contained in Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company, he holds office upto the date of this Annual General Meeting. Notice under section 257 of the Companies Act, 1956 has been received, alongwith a deposit of Rs. 500/- from a member proposing the appointment of Shri Jayant A. Kher as Director of the Company at this general meeting, liable to retire by rotation.

The Directors feel that Shri Jayant A. Kher's continuance on the Board of Directors of the Company would be in the interest of the Company and therefore recommend your approval to the resolution in the interest of the Company.

None of the Directors, except Shri Jayant A. Kher is concerned and/or interested in the aforesaid resolution.

Registered Office :
308, Shantiniketan
8, Camac Street
Calcutta - 700 017
Date : April 17, 1998

By Order of the Board
NARESH PACHISIA
Managing Director

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Eighth Annual Report and Audited Accounts for the year ended March 31, 1998.

FINANCIAL HIGHLIGHTS

PARTICULARS	Year ended March (in Rs. lacs)	
	1998	1997
Total Income	107.87	92.76
Total Expenses	69.01	73.89
Operating Profit	38.86	18.87
Interest	17.95	11.45
Gross Profit	20.91	7.42
Depreciation	5.39	4.88
Profit Before Tax	15.52	2.54
Tax	4.60	1.49
Profit After Tax	10.92	1.05
Net Worth	523.93	512.59

DIVIDEND

Your Directors regret to express their inability to recommend any Dividend for the year in view of inadequacy of profits for the year.

BUSINESS PERFORMANCE

Although marginal, our improved performance was particularly satisfying as it was achieved despite the continuing depressed state of the Indian Capital Market, to which almost all the activities of your company are related. The Primary Market turned from bad to worse and the numbr of scrips being traded on the secondary market came down substantially. The increase in income, profit and profitability, at a time, when there is a marked shake-out taking place in the Indian Capital Market industry, can be attributed to the various synergetic benefits arising out of the amalgamation of SKP Brokerage Ltd with your company as reported in the previous Annual Report. Concerted efforts made to increase the client base, offering more value-added services and curtailment of costs have helped.

This was your Company's first full year of operations as a member of National Stock Exchange, apart from it being a member of Calcutta Stock Exchange. On the 25th of March, 1998, a BOLT terminal of The Stock Exchange, Mumbai was also installed at our Dealing Room, making your company amongst the first brokerages in Calcutta to provide the facility of trading on three largest Exchanges viz. CSE, NSE and BSE to its clients from a single premises. During the year, the company was inducted into the panel of approved stock brokers of Unit Trust of India, General Insurance Corporation of India, other Insurance companies and several leading mutual funds. However, since most of these empanelments took place in the later part of the Financial Year, it had only a marginal effect on the company's performance during the year. Satisfactory progress was made in the marketing of mutual fund schemes, an activity, which has become a focus area of growth for the Company.

DIRECTORS' REPORT (Contd.)

At a time when most Merchant Bankers are either opting out or being refused renewal, SEBI has renewed your Company's registration as a Merchant Banker (Category-1). With drying up of primary market issues of medium-sized corporates, a niche segment for your Company, this activity remained at a low ebb. Your Company now intends to concentrate on mergers and acquisitions and did take up a couple of such assignments during the year. Satisfactory progress was made in the corporate finance syndication activities.

With continued investor apathy towards the capital market, the Portfolio Management activities were at a very low ebb. Your Company's thrust is towards Investment Advisory Services which adds value to its broking services. A subtle and gradual restructuring exercise of the Company's investment portfolio was continued to improve the quality of its constituent scrips for long term benefits without adversely effecting the current bottomline of the company. Keeping a watchful eye on the risks involved in this activity, your Company was able to make satisfactory growth in income from its trading operations.

PROMISE VS PERFORMANCE

Disclosures pursuant to Clause 43 of the Listing Agreement

PARTICULARS	Year ended March, 1998 (in Rs. Lacs)	
	Projected	Actuals
Total Income	299.94	107.87
Net Profit	83.34	10.92

Your Directors attribute the shortfall in performance to unprecedented and abnormally prolonged depressing conditions prevailing in the capital market, to which the fortunes of your Company are directly linked.

FUTURE OUTLOOK

The installation of a new Government under the able leadership of Shri Atal Behari Vajpayee at the centre has raised hopes for political stability, good governance and the resultant economic growth in the country. Revival of the Capital Market finds a prominent place in its National Agenda. Meanwhile, the shake-out taking place in the Indian Capital Market industry is continuing. A large number of stock brokers and merchant bankers are closing shop across the country, buckling under the cumulative pressures of low business volumes, intense competition, substantially higher capital requirements and resultant uneconomic operations. Even the Foreign brokerages have started winding up operations.

Your Company shall try to convert this adversity into an opportunity by expanding its client base. In the forthcoming year, it will focus on expanding its operations to the retail segment, offering several value-added investment services. Trading facilities of NSE are being extended to Ranchi and Jalpaiguri and at Mumbai to service the Mumbai-based institutional investors. The installation of the BOLT terminal at the Company's Calcutta Dealing Room shall provide good business opportunities. Concerted efforts shall be made in the marketing of good mutual fund schemes and other activities of the company. Administrative costs shall be kept in check.

DIRECTORATE

Shri Surender Kumar Pachisia and Shri Jayant A Kher were appointed as additional directors during the year. Necessary resolutions for their appointment as rotational directors are proposed in the Notice convening the Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri G. L. Sultania, Shri R. L. Kapur and Shri S. G. Vaidya, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.