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**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. Gangully Street  
Calcutta-700 012

**Bankers**

HDFC Bank Ltd.  
Indusind Bank Ltd.  
Syndicate Bank  
United Bank of India

**Registered Office**

308, Shantiniketan  
8, Camac Street  
Calcutta 700 017  
Phone : 282-8719/8793  
Fax : 022 282-7553  
E mail : skpsec@giasec101.vsnl.net in.

**Registrar & Share Transfer Agent**

AMI Computers (I) Ltd.  
60 A & 60 B Jawaharlal Nehru Road  
Calcutta - 700 020  
Phone : 240-6776/9251

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## NOTICE



NOTICE is hereby given that the Ninth Annual General Meeting of the members of SKP Securities Limited will be held at Merchant's Chamber of Commerce, 15B, Hemanta Basu Sarani, Calcutta-700 001 on Saturday the 31st day of July, 1999 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, 1999 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 M. G. Damani, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Jayant A Kher, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

## SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution to be proposed as an Ordinary Resolution :  

"RESOLVED that in accordance with and subject to the provisions of section 198, 269, 309, 310 & 311, read with Schedule XIII to the Companies Act, 1956 (the Act) and other applicable provisions, if any, of the Act, and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri Surender Kumar Pachisia as Non-retiring Whole Time Director of the Company, who shall not retire by rotation, pursuant to the relevant provisions including Section 257 of the said Act, read with Article of Association of the Company for 5 (Five) year term, commencing from 29th December, 1998 till 28th December, 2003, and to his receiving remuneration by way of Salary, commission, perquisites and/or allowances, as the Non-retiring Whole Time Director, with effect from 1st April, 1999 upto his remaining tenure of appointment, upon the terms, conditions and stipulations contained in the DRAFT AGREEMENT to be entered into between the Company of the ONE PART and Shri Surender Kuma Pachisia of the OTHER PART and also as set out in the explanatory statement attached to the Notice, conveying the 9th Annual General Meeting of the Company (a Draft whereof is placed before the meeting and for the purpose of identification, is initiated by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Surender Kumar Pachisia, the Non-retiring Whole Time Director and/or remuneration payable to him and/or Agreement as may be agreed to between the Board of Directors and Shri Surender Kumar Pachisia, provided however that the remuneration payable to Shri Surender Kumar Pachisia, shall not exceed the maximum limit, for the payment of managerial remuneration, specified in Schedule XIII to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being be in force.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of upto 20% of the existing salary as the Board may consider fit and proper for Shri Surender Kumar Pachisia.

RESOLVED FURTHER THAT where in any financial year, during his terms of office, the Company makes no profits or inadequate profits, the Company may pay Shri Surender Kumar Pachisia remuneration by way of salary, commission and perquisites and/or allowances not exceeding the limits laid down in section II, Part II of Schedule XIII to the said Act, presently in force and for the time being in force or any statutory modifications, substitutions or re-enactment thereof, as may be agreed to, by the Board of Directors of the Company and acceptable to Shri Surender Kumar Pachisia, the Whole Time Director.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to the Schedule XIII of the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter or increase the remuneration including salary, commission, perquisites, and/or allowances within the maximum limits for payments of managerial remuneration specified in Schedule XIII to the said Act, in force for the time being or any statutory amendment or re-enactment, thereto as may be made from time to time or the laws/guidelines for the time being in force.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution.

6. To consider and if thought fit, to pass with or without modification, the following resolution to be proposed as an Ordinary Resolution :  

"RESOLVED that in accordance with and subject to the provisions of section 198, 269, 309, 310 & 311, read with Schedule XIII to the Companies Act, 1956 (the Act) and other applicable provisions, if any, of the Act, and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri Naresh Pachisia as Non-retiring Managing Director of the Company, who shall not retire by rotation, pursuant to the relevant provisions including Section 257 of the said Act, read with Article of Association of the Company for the 5 (Five) year term, commencing from 29th December, 1998 till 28th December, 2003, and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as the Non-retiring Managing Director, with effect from 1st April, 1999 upto his remaining tenure of appointment, upon the terms, conditions and stipulations contained in the DRAFT AGREEMENT to be entered into between the Company of the ONE PART and Shri Naresh Pachisia of the OTHER PART and also as set out in the explanatory statement attached to the Notice, conveying the 9th Annual General Meeting of the Company (a Draft whereof is placed before the meeting and for the purpose of identification, is initiated by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Naresh Pachisia, the Non-retiring Managing Director and/or remuneration payable to him and/or Agreement as may be agreed to between the Board of Directors and Shri Naresh Pachisia, provided however that the remuneration payable to Shri Naresh Pachisia, shall not exceed the maximum limit, for the payment of managerial remuneration, specified in Schedule XIII to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being be in force.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of upto 20% of the existing salary as the Board may consider fit and proper for Shri Naresh Pachisia.

RESOLVED FURTHER THAT where in any financial year, during his terms of office, the Company makes no profits or inadequate profits, the Company may pay Shri Naresh Pachisia remuneration by way of salary, commission and perquisites and/or allowances not exceeding the limits laid down in section II, Part II of Schedule XIII to the said Act, presently in force and for the time being in force or any statutory modifications, substitutions or re-enactment thereof, as may be agreed to, by the Board of Directors of the Company and acceptable to Shri Naresh Pachisia, the Managing Director.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to the Schedule XIII of the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter or increase the remuneration including salary, commission, perquisites, and/or allowances within the maximum limits for payments of managerial remuneration specified in Schedule XIII to the said Act, in force for the time being or any statutory amendment or re-enactment, thereto as may be made from time to time or the laws/guidelines for the time being in force.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution.

7. To consider and if thought fit, to pass with or without modification, the following resolution to be proposed as an Ordinary Resolution :  

"RESOLVED that in accordance with and subject to the provisions of section 198, 269, 309, 310 & 311, read with Schedule XIII to the Companies Act, 1956 (the Act) and other applicable provisions, if any, of the Act, and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri Rajesh Pachisia as Non-retiring Managing Director of the Company, who shall not retire by rotation, pursuant to the relevant provisions including Section 257 of the said Act, read with Article of Association of the Company for the 5 (Five) year term, commencing from 29th December, 1998 till 28th December, 2003, and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as the Non-retiring Managing Director, with effect from 1st April, 1999 upto his remaining tenure of appointment, upon the terms, conditions and stipulations contained in the DRAFT AGREEMENT to be entered into between the Company of the ONE PART and Shri Rajesh Pachisia of the OTHER PART and also as set out in the explanatory statement attached to the Notice, conveying the 9th Annual General Meeting of the Company (a Draft whereof is placed before the meeting and for the purpose of identification, is initiated by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Rajesh Pachisia, the Non-retiring Managing Director and/or remuneration payable to him and/or Agreement as may be agreed to between the Board of Directors and Shri Rajesh Pachisia, provided however that remuneration payable to Shri Rajesh Pachisia, shall not exceed the maximum limit, for the payment of managerial remuneration, specified in Schedule XIII to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being be in force.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of upto 20% of the existing salary as the Board may consider fit and proper for Shri Rajesh Pachisia.

RESOLVED FURTHER THAT where in any financial year, during his terms of office, the Company makes no profits or inadequate profits, the Company may pay Shri Rajesh Pachisia remuneration by way of salary, commission and perquisites and/or allowances not exceeding the limits laid down in section II, Part II of Schedule XIII to the said Act, presently in force and for the time being in force or any statutory modifications, substitutions or re-enactment thereof, as may be agreed to, by the Board of Directors of the Company and acceptable to Shri Rajesh Pachisia, the Managing Director.

RESOLVED FURTHER THAT in the event of any statutory amendments modifications, substitutions, relaxations or re-enactments, by the Central Government to the Schedule XIII of the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter or increase the remuneration including salary, commission, perquisites, and/or allowances within the maximum limits for payments of managerial remuneration specified in Schedule XIII to the said Act, in force for the time being or any statutory amendment or re-enactment, thereto as may be made from time to time or the laws/guidelines for the time being in force.

NOTICE (Contd.)



AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.

Registered Office  
308, Shantiniketan  
8, Carnac Street,  
Calcutta-700 017  
Date : May 20, 1999

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 16th July, 1999 to 31st July 1999 (both days inclusive)
4. Members are requested to notify immediately any change in their addresses to the Registrar and Transfer Agents of the Company - AMI Computers (I) Ltd. 60A & 60B Chowringhee Road, Calcutta-700 016.

**Explanatory Statement under Section 173 (2) of the Companies Act, 1956****Item No. 5**

The present term of Shri Surender Kumar Pachisia as Whole Time Director of the Company (hereinafter referred to as the Appointee) and whose office is liable to retire by rotation, will expire on 28.12.1999. The Board of Directors at its meeting held on 20.05.1999 subject to the approval of the members in General Meeting, extended his re-appointment as the Non-rotating Whole Time Director of the Company for a fresh term of 5 years upto 28th December, 2003 and also approved, subject to the approval of the members in General Meeting, and within the limits laid down in Schedule XIII to the Companies Act, 1956 ("the Act") for which purpose Resolution as set out in the Notice is proposed.

The Board of Directors has fixed the following remuneration to be paid to Whole Time Director during the fresh term, with power to make such variation or increase therein as may be thought fit from time to time, but within the over-all ceiling laid down in Schedule XIII of the Act, or any statutory amendment or relaxation thereto :

SALARY	: At the rate of Rs. 20,000/- P.M. (The Board may at its sole discretion consider and grant an annual increment upto 20% of the existing salary)
COMMISSION	: At the rate of 2% (Two percent) of net profits of the Company for each financial year, computed in the manner laid down in section 198 and 309 of the Act.
PERQUISITES	: The Appointee will be entitled to the following perquisites in addition to salary and commission restricted to an amount equal to the annual salary of the Appointee or Rs. 2, 40,000/- per annum, whichever is less.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows :

**CATEGORY - A**

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under :-

**Housing**

- i) The expenditure incurred by the Company on hiring furnished accommodation for the appointee will be subject to the ceiling - 60 (Sixty) percent of the Salary, over and above 10 per cent payable by the appointee.
- ii) In case the accommodation is owned by the Company, 10 (Ten) per cent of the salary of the appointee shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to the ceiling laid down under clause (i) above.

**Explanation**

The Expenditure incurred by the Company on Gas, Electricity, Water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 (ten) percent of the salary of the appointee.

**Medical Reimbursement**

Expenses incurred for the appointee and his family subject to a ceiling of one months' salary in a year or three months' salary over a period of three years.

**Leave Travel Concession**

For the Appointee and his family once in a year incurred in accordance with the Rules of the Company.

**Club Fees**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**Personal Accident Insurance**

of an amount, the annual premium of which does not exceed Rs. 10,000/- per annum.

**Explanation :**

For the purpose of CATEGORY 'A', Family means, the spouse, the dependent children and dependent parents of the Appointee.

**CATEGORY - B**

- i) Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the Computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a months' salary for each completed year of service.
- iii) Encashment of Leave at the end of the tenure will be permitted as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.

**CATEGORY - C**

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the appointee.

**Overall Remuneration**

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Whole Time Director and Managing Directors & Secretary as calculated in accordance with Section 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may be for the time being in force.

**Minimum Remuneration**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointee, the Company may pay him remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of the Part II of Schedule XIII of the Companies Act, 1956 as may be for the time being in force.

Shri Pachisia is a relative of Shri Naresh Pachisia and Shri Rajesh Pachisia, Managing Directors of the Company, the appointment of and remuneration payable to Shri Pachisia as the Whole Time Director

**NOTICE (Contd.)**

does not fall within the purview of Section 314 and 314 (1B) of the said Act, in terms of the provision of sub-section 3 of the said Section as well as the clarification/notification issued by the Central Government in this regard and thereby members approval by Special Resolution is not required.

The Board accordingly recommend the Resolutions set out in Item No.5 of the Notice for members' approval by way of an Ordinary Resolution.

The Agreement entered and/or to be entered into between the Company and Shri Surender Kumar Pachisia is available for inspection by the members of the Company at its Registered Office, on any working day, prior to the date of the meeting during usual business hours and will also be available at the meeting.

This should be considered also an abstract of the terms of appointment as the case may be of Shri Surender Kumar Pachisia and a memorandum as to the nature of the concern or interest of the Directors in the said term of appointment and/or remuneration as required under Section 302 of the Act.

**Memorandum of Interest**

Shri Naresh Pachisia and Shri Rajesh Pachisia, Managing Directors, being relative to each other may be deemed to be interested and/or concerned in the above terms of remuneration. No other Director is interested or concerned.

**ITEM NO. 6**

The present term of Shri Naresh Pachisia as Managing Director of the Company (hereinafter referred to as the Appointee) and whose office is liable to retire by rotation, will expire on 28.12.1999. The Board of Directors at its meeting held on 20.05.1999 subject to the approval of the members in General Meeting extended his reappointment as the Non-retiring Managing Director of the Company for a fresh term of 5 years upto 28th December, 2003 and also approved, subject to the approval of the members in General Meeting, and within the limits laid down in Schedule XIII to the Companies Act, 1956 ("the Act") for which purpose Resolution as set out in the Notice is proposed.

The Board of Directors has fixed the following remuneration to be paid to Managing Director during the fresh term, with power to make such variation or increase therein as may be thought fit from time to time, but within the over-all ceiling laid down in Schedule XIII of the Act, or any statutory amendment or relaxation thereto :

<b>SALARY</b>	: At the rate of Rs. 15,000/- P.M. (The Board may at its sole discretion consider and grant an annual increment upto 20% of the existing salary)
<b>COMMISSION</b>	: At the rate of 1% (One percent) of net profits of the Company for each financial year, computed in the manner laid down in section 198 and 309 of the Act.
<b>PERQUISITES</b>	: The Appointee will be entitled to the following perquisites in addition to salary and commission restricted to an amount equal to the annual salary of the Appointee or Rs. 1,80,000/- per annum, whichever is less.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows :

**CATEGORY - A**

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under :

**Housing**

- i) The expenditure incurred by the Company on hiring furnished accommodation for the appointee will be subject to the ceiling-60 (Sixty) percent of the Salary, over and above 10 per cent payable by the appointee.
- ii) In case the accommodation is owned by the Company 10 (Ten) per cent of the salary of the appointee shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to the ceiling laid down under clause (i) above.

**Explanation**

The Expenditure incurred by the Company on Gas, Electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 (Ten) per cent of the salary of the appointee.

**Medical Reimbursement**

Expenses incurred for the appointee and his family subject to a ceiling of one months' salary in a year or three months' salary over a period of three years.

**Leave Travel Concession**

For the Appointee and his family once in a year incurred in accordance with the Rules of the Company.

**Club Fees**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**Personal Accident Insurance**

of an amount, the annual premium of which does not exceed Rs. 10,000/- per annum.

**Explanation :**

For the purpose of CATEGORY 'A', Family means, the spouse, the dependent children and dependent parents of the Appointee.

**CATEGORY - B**

- i) Contributions to Provident Fund and superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a months' salary for each completed year of service.
- iii) Encashment of Leave at the end of the tenure will be permitted as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.

**CATEGORY - C**

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the appointee.

**Overall Remuneration**

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Managing Director and Managing Directors & Secretary as calculated in accordance with Section 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may be for the time being in force

**Minimum Remuneration**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointee, the Company may pay him remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of the Part II of Schedule XIII of the Companies Act, 1956 as may be for the time being in force.

Shri Pachisia is a relative of Shri Surender Kumar Pachisia, Whole Time Director and Shri Rajesh Pachisia, Managing Director of the Company. The appointment of and remuneration payable to Shri Pachisia as the Managing Director does not fall within the purview of Section 314 and 314 (1B) of the said Act, in terms of the provision of sub-section 3 of the said Section as well as the clarification/notification issued by the Central Government in this regard and thereby members approval by Special Resolution is not required.

The Board accordingly recommend the Resolutions set out in Item No.5 of the Notice for members' approval by way of an Ordinary Resolution.

The Agreement entered and/or to be entered into between the Company and Shri Naresh Pachisia is available for inspection by the members of the Company at its Registered Office, on any working day, prior to the date of the meeting during usual business hours and will also be available at the meeting.

This should be considered also an abstract of the terms of appointment as the case may be of Shri Naresh Pachisia and a memorandum as to the nature of the concern or interest of the Directors in the said term of appointment and/or remuneration as required under Section 302 of the Act.

**Memorandum of Interest**

Shri Surender Kumar Pachisia, Whole Time Director and Shri Rajesh Pachisia, Managing Director, being relative to each other may be deemed to be interested and/or concerned in the above terms of remuneration. No other Director is interested or concerned.

**Item No. 7**

The present term of Shri Rajesh Pachisia as Managing Director of the Company (hereinafter referred to as the Appointee) and whose office is liable to retire by rotation, will expire on 28.12.1999. The Board of Directors at its meeting held on 20.5.1999 subject to the approval of the members in General Meeting, extended his re-appointment as the Non-rotating Managing Director of the Company for a fresh term of 5 years upto 28th December, 2003 and also approved, subject to the approval of the members in General Meeting, and within the limits laid down in Schedule XIII to the Companies Act, 1956 ("the Act") for which purpose resolution as set out in the Notice is proposed.