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**SKP**

# SKP - EVENTS & ACHIEVEMENTS 2001-2002

## Another guidebook for investors released



### THE SKP MUTUAL FUND GUIDE TO PROSPERITY

Released by Shri S. S. Kanoria,  
Senior Citizen of Kolkata on March 1, 2002.

#### Author

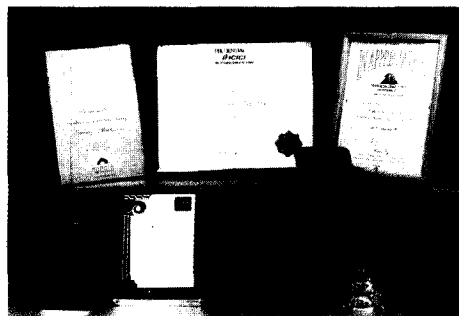
Shri Naresh Pachisia, MD, SKP Securities Ltd

#### Foreword by

Shri Sanjay Sachdev, MD & CEO,  
IDBI-Principal Mutual Fund



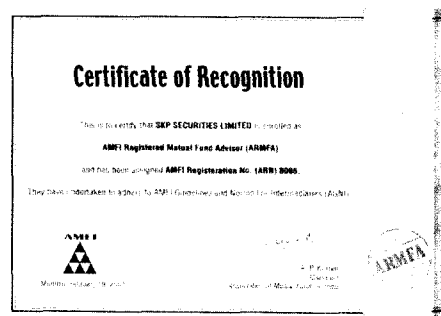
Shri S S Kanoria releasing the book and ceremoniously breaking the "Pot of Gold" as the author looks on.



## Some Achievements

Prestigious awards received in mutual fund distribution - retaining regional leadership in the East.

SKP becomes one of the first 'AMFI Certified Mutual Fund Advisors in India and the First in Eastern India - Aiming to Excel.



Shri Rajat Jain, Chief Investment Officer, IDBI-Principal Mutual Fund addressing SKP's Patrons at The SKP Budget Meet 2002 on March 1, 2002.

## Events

The SKP Stock Brokers' Mutual Fund Awareness Meet addressed by Shri Rajiv Anand, Chief Investment Officer, Standard Chartered Mutual Fund, offering a post-Badla alternative - July 2001.



## Helping Investors ...



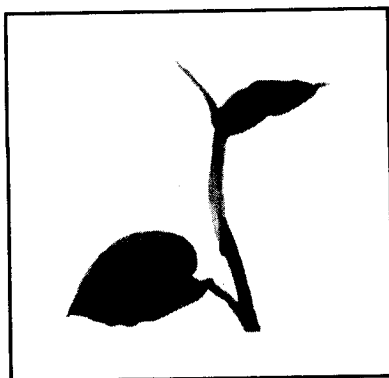
Asim Dasgupta, Minister of Finance, Govt of West Bengal at the SKP Stall at FINVEX 2001 — A 3-day exposition held at Netaji Indoor Stadium, Kolkata from August 31 2001 to September 2, 2001. With a large number of value-added wealth management solutions on offers and several exciting contests, it was one of the most popular stalls.

## Help Themselves!



Shri K. Muhund, Fund Manager, Standard Chartered Mutual Fund addressing "The SKP Debt Fund Investors' Meet" after the WTC attack - September 2001.

PROVIDING WEALTH MANAGEMENT SOLUTIONS FOR ALL



The Money Plant  
-literally and  
metaphorically a  
symbolic proxy for  
the

Capital Markets.  
Climbs upwards.  
Grows Spectacularly  
fast. But needs  
individual care and  
immaculate  
environment  
conditions to  
develop. And with  
deep rooted  
support, aims to  
reach for the sky.

## *Business Activities*

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### **Equity Broking**

Member : National Stock Exchange  
(Capital Market Segment)  
Member : Calcutta Stock Exchange  
Trading Facility : The Stock Exchange, Mumbai

### **Derivatives Trading**

Trading Member : National Stock Exchange  
(Futures & Options Segment)

### **Depository Services**

Depository Participant :  
National Securities Depository Ltd.  
Central Depository Services (I) Ltd.

### **Mutual Fund Distribution**

### **Life Insurance Distribution**

### **Initial Public Offerings - Equities & Bonds**

### **Investor Support Services**

Equity & Mutual Fund Research  
Investment Counselling  
Comprehensive Wealth Management

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**NOTICE****SKP SECURITIES LIMITED**

Registered Office : '308', 'SHANTINIKETAN', 8, Camac Street,  
KOLKATA 700 017

**NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Twelfth Annual General Meeting of the Members of SKP Securities Limited will be held on Monday, the 29th day of July, 2002 at Merchant's Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata 700 001 at 4.00 P.M. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R L Kapur, 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 of the Company and fix their remuneration.

**Special Business:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ordinary Resolution:

5. "RESOLVED THAT Shri Kishore Bhimani, an Additional Director of the Company who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation".

**Registered Office :**

308, Shantiniketan  
8, Camac Street,  
Kolkata - 700 017.  
Date : 26.04.2002

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 Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item, No. 5 of the Notice as set out above, is annexed hereto.
3. The Register of Members and Share Transfer books of the Company shall remain closed from Tuesday, 16th July 2002 to Monday, 29th July, 2002 (both days inclusive).
4. Members are requested to notify immediately any change in their addresses to the Registrars and Transfer Agents of the Company - M/s Maheshwari Datamatics (P) Ltd. 6 Mangoe Lane, 2nd Floor, Kolkata 700 001.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

Shri Kishore Bhimani was appointed as an Additional Director of the Company with effect from 26th April, 2002. He is a BA (Hons. Econ), Calcutta and B.Sc. Econ. (London School of Economics). He is a renowned journalist, author, TV Anchor and Consultant. Shri Bhimani holds office upto this Annual General Meeting. Notice has been received from a member with requisite deposit proposing his appointment as a Director of the Company.

The Board recommends his appointment as a Director of the Company.

None of the Directors, except Shri Kishore Bhimani, are interested in this resolution.

**Registered Office :**

308, Shantiniketan  
8, Camac Street,  
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Date : 26.04.2002

By order of the Board

**NARESH PACHISIA**  
Managing Director

**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting the Twelfth Annual Report and Audited Accounts of SKP Securities Ltd (SKP) for the year ended March 31, 2002.

**Financial Highlights**

Particulars	Year Ended March (in Rs Lacs)	
	2002	2001
Total Income	191.46	266.74
Total Expenses	147.45	163.30
Operating Profit	44.01	103.44
Interest	7.77	17.21
Gross Profit	36.24	86.23
Depreciation	8.82	6.91
Profit Before Tax	27.42	79.32
Tax	3.53	11.50
Profit after Tax	23.89	67.82
Appropriations		
Proposed Dividend	—	50.50
Dividend Tax	—	5.15
Transferred to General Reserve	—	10.00
Earnings Per Share (Rs)	0.47	1.34
Net Worth	653.12	617.29

**Dividend**

A Dividend of 10% (Re.1/- per share) was paid in the previous year. However, in view of inadequacy of profits and to retain liquidity in SKP for implementing future growth, your Directors do not recommend payment of any dividend for the year 2001-2002.

**Business Performance**

Expectations of a period of uncertainty during 2001-2002 was expressed in the previous report. It turned out to be an extremely crisis-prone year. The chain effect of previous years' stock market crises was felt this year in the capital markets. The WTC crisis initiated another chain reaction and so did the terrorist attack on the Indian Parliament, ending the year with a depressing Budget for investors and the Gujarat Crisis. Political instability became a regular affair. All these developments had an extremely negative impact on capital markets, to which the fortunes of SKP are directly linked. The market bottomed out at a BSE Sensex level of 2600 in September 2001. The slow, but gradual, furthering of the reforms process and divestments of PSUs were the only positives, improving the market sentiments to some extent. Structural changes were initiated in the capital markets viz. rolling settlement system, a T+3 settlement schedule, commencement of futures and options trading in individual stocks, just to name a few. Amidst such drastic changes in the business environment, your Directors find the financial results of SKP satisfactory.

As indicated in the previous report, the secondary market activity remained at a low ebb during the first half of the financial year. The year was utilized to consolidate SKP's businesses and prepare it for a fresh round of growth. Kolkata operations were consolidated mid-year by merging two of SKP's offices into one, bringing all services under one roof, thereby increasing the overall efficiency of the company. The other premises was closed down, an exercise towards right-sizing of the organization was undertaken, costs reduced, management tightened, unproductive assets (including investments and traded stocks) sold, wherever possible, so that there was a better quality of capital available, improved liquidity and the unsystematic risk of the company reduced. A focused, aggressive approach was adopted to expand the business in Kolkata. Meanwhile, a Promoter-Managing Director of SKP shifted base to Mumbai to expand its operations in the financial capital of India, hitherto restricted to institutional broking. SKP's institutional clientbase has been further expanded to 33 during the year.

Although late and slower than potential and desirable levels, SKP's broking activities in the derivatives segment commenced during the period under review. As on the date of this report, your company has also applied for the Clearing Membership of NSE's Derivatives Segment. SKP's Equity Research Desk also performed well, with its niche reports and successful investment recommendations, finding acceptance with respect amongst its institutional as well as retail clientele.

SKP further consolidated its numero uno position amongst the regional distributors of mutual funds in the Eastern Region of India. During the year under consideration, it bagged the prestigious, Pru Chairman's Gold Award 2001, and Hall of Fame Award 2002 from Prudential ICICI Mutual Fund and Standard Chartered Mutual Fund respectively, for being their top distributor consistently in the Eastern Region. for being their largest regional distributor in the Eastern Region. Towards the end of the year, Birla Mutual Fund recognised SKP as its third largest regional distributor on an all India basis - largest in Eastern Region. Adopting research-based investment counseling route, providing tailor-made investment solutions to all kinds of investors, meeting their distinct investment needs and innovative concept selling efforts have provided SKP a winning edge in this activity. A useful guide on mutual fund investing, The SKP Mutual Fund Guide to Prosperity, authored by Shri Naresh Pachisia, Managing Director of the company, was published for complimentary circulation amongst investors. First of its kind in India, it was well received. To further establish SKP's conviction and commitment about the importance and usefulness of Financial Planning for all investors, your company has become a Charter Member of Association of Financial Planners (AFP), alongwith mutual funds, insurance companies, banks and other distributors of financial products. AFP will function as a promoter, regulator and certifying authority of the globally popular Certified Financial Planners (CFP) programme in India.

During the year under review, SKP commenced its operations as a Depository Participant (DP) of both the depositories in India, viz. National Securities Depository Ltd and Central Depository Services (I) Ltd. However, being a late entrant, this activity is yet to pick-up to desirable levels. But it is being found very useful by clients using our broking services.

Amidst all this restructuring efforts, and undertaking of expansion in Mumbai, SKP could not initiate its desired Internet Trading and branch expansion activities. However, preparatory work for launch of life insurance distribution services has been completed.

#### **Future Outlook**

The consolidation process having been more or less completed, we can now look towards a brighter and more exciting future full of growth for all the activities of the company. Towards this end, an organization planning and development exercise has been initiated. Aggressive, focused marketing efforts and ability to provide value-added services should result in expansion in the broking business, including derivatives broking, in Kolkata. In Mumbai, not only the institutional broking business is poised for growth with an expanded clientbase, even retail broking should kick off once we move into a larger premises. The incremental cost is relatively small. SKP is poised to win more recognitions and accolades in the distribution of mutual funds with the business as a whole also likely to expand. Depository Services is also likely to grow with a renewed thrust. Life insurance distribution business of the company is likely to kick off very soon. We shall also strive to initiate the branch network pilot project, which has been delayed due to the restructuring efforts of the company.

With the capital markets expected to be in a recovery mode during 2002-2003, and with our efforts mentioned above, you can look forward to an exciting year for your company.

#### **Corporate Governance**

As per the amended listing agreement with Stock Exchanges the Company has complied with the requirement of Corporate Governance. A report on Corporate Governance is attached to this report.

#### **Auditor's Report**

All the items on which the Auditor's have commented in their report are self-explanatory.

#### **Directorate**

On July 25, 2001, we lost our Founder Chairman, Shri M G Damani, who passed away after a brief illness. Although, he had already resigned as a Director and Chairman of the Board of Directors on 7.8.2000, his wise counsel was always available to the Board and he was the visionary behind SKP's foundation. The Board wishes that his soul may rest in peace. The Board is still seeking to have his replacement in place as the Chairman of the company.

In accordance with the provision of the Companies Act, 1956, and the Articles of Association of the company, Shri R L Kapur and Shri Jayant A Kher, Directors of the company retire by rotation, and being eligible, offer themselves for re-appointment.

Shri Kishore Bhimani (63), noted journalist, author, TV Anchor and Consultant was appointed as an Additional Director of the Company on April 26, 2002 and he holds office upto the ensuing Annual General Meeting. Notice has been received from a member with required deposit proposing his appointment as a Director of the Company. He is a BA (Hons. Econ), Calcutta and B.Sc. Econ. (London School of Economics). Your Directors feel that with his extensive experience encompassing a wide variety of subjects, the company will be benefited with his guidance.