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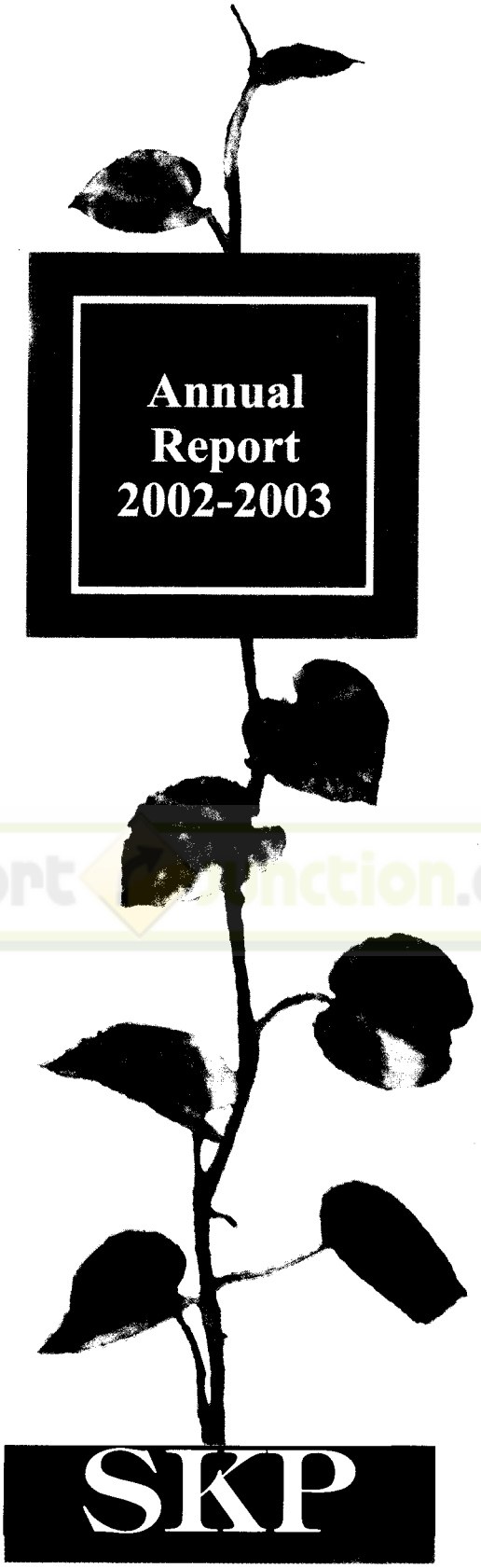

Annual Report 2002-2003

SKP

Providing Financial Solutions for All

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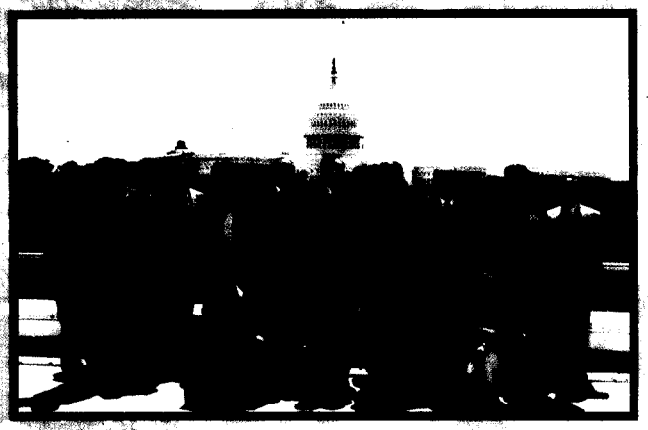
EVENTS & ACHIEVEMENTS - 2002-2003

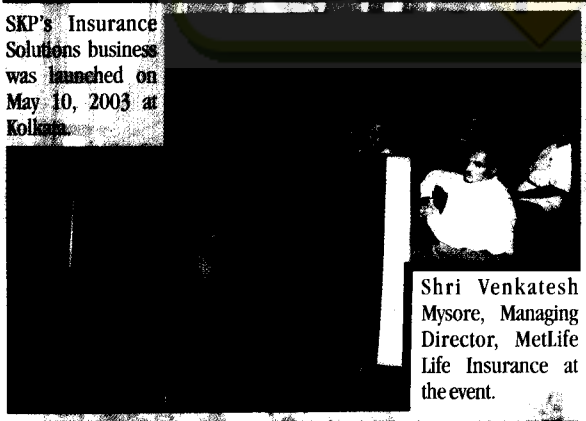
The SKP Family Fun Fiesta, held on 5 April 2002, at SPARKZ, Kolkata emerged as a highly popular event with patron families of SKP. A 350 strong attendance included three generations from some families.



Shri Naresh Pachisia, Managing Director, SKP Securities Ltd. (Standing 3rd from left) along with other delegates at Washington DC as a part of "India Life Insurance & Pension Fund Delegation" organised by the US Consulate, Mumbai in May 2002.

Shri Prashant Jain, Chief Investment Officer, Zurich India Mutual Fund addressing SKP patrons at The SKP Budget Meet 2003 on March 5, 2003 at Kolkata. A cross section of audience.

SKP's Insurance Solutions business was launched on May 10, 2003 at Kolkata.



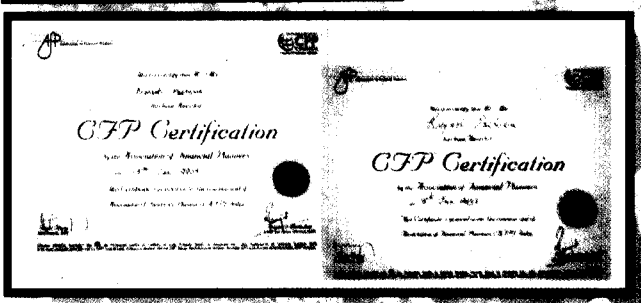
Shri Venkatesh Mysore, Managing Director, MetLife Life Insurance at the event.

Some Recognitions*

Multiple recognitions during 2002 established SKP's leadership status in mutual fund distribution. A snapshot.

Franklin Templeton Mutual Fund	Largest Distributor in India in 'Financial Advisors' Caterogy
IDBI-Principal Mutual Fund	Largest Regional Distributor in India
Birla Sunlife Mutual Fund	Third Largest Regional Distributor in India
Prudential ICICI Mutual Fund	Second-Largest Regional Distributor outside Mumbai, Delhi
Pioneer ITI Mutual Fund	Largest Regional Distributor in the East
JM Mutual Fund	Largest Regional Distributor in the East (Informal Recognition)
SBI Mutual Fund	Member, Managing Director's Club

*as informed by respective fund houses



The two Managing Directors of SKP are now amongst India's first few Certified Financial Planners (CFP's). A few AMFI Registered Mutual Fund Advisors of team SKP.

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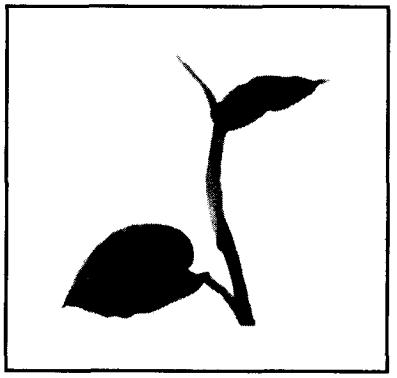
SKP SECURITIES LIMITED



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.

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NOTICE

SKP SECURITIES LIMITED

SKP SECURITIES LIMITED
Registered Office : '308', 'Shantiniketan', 8,Camac Street,
KOLKATA 700 017

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of SKP Securities Limited will be held on Monday, the 21st day of July, 2003 at Merchant's Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata 700 001 at 4.00 P.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March 2003.
3. To appoint a Director in place of Shri G L Sultania, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ram R Tavargeri, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and fix their remuneration.
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the Ordinary Resolution passed at the AGM held on 31/07/1998, the Company hereby approves of the reappointment and terms of remuneration, of Shri Surender Kumar Pachisia as Non-retiring Whole Time Director of the Company for a period of three years with effect from 1st April, 2003 upon the terms and conditions set out in the draft Agreement submitted to this meeting and for identification signed by a Director thereof, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Directors and Shri Surendra Kumar Pachisia."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

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

   "RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the ordinary Resolution passed at the AGM held on 31/07/1998, the Company hereby approves the reappointment and terms of remuneration, of Shri Naresh Pachisia as Non-retiring Managing Director of the Company for a period of three years with effect from 1st April, 2003 upon the terms and conditions set out in the draft Agreement submitted to this meeting and for identification signed by a Director thereof, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Directors and Shri Naresh Pachisia."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

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

   "RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the Ordinary Resolution passed at the AGM held on 31/07/1998, the Company hereby approves of the reappointment and terms of remuneration, of Shri Rajesh Pachisia as Non-retiring Managing Director of the Company for a period of three years with effect from 1st April, 2003 upon the terms and conditions set out in the draft Agreement submitted to this meeting and for identification signed by a Director thereof, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Directors and Shri Rajesh Pachisia."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

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

   "RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force), The Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions,

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as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from The Calcutta Stock Exchange Association Limited, Kolkata."

Registered Office:
308,Shantiniketan
8, Camac Street,
Kolkata - 700 017.
Date : 26.04.2003

By Order of the Board of Directors

Vinay Kumar
Company Secretary

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. 6, 7, 8 and 9 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 Monday, 14th July, 2003 to Monday, 21st July, 2003 (both days inclusive).
4. Dividend, if declared at the meeting, will be paid to those shareholders whose name appear in the Register of Members of the Company on 21st July, 2003 or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 13th July, 2003.
5. Members may please address all their documents / correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note No. 4 above.
6. Members are requested to notify immediately to the Company's Registrars and Transfer Agents of the Company - M/s Maheshwari Datamatics (P) Ltd. 6 Mangoe Lane, 2nd Floor, Kolkata 700 001.
   (a) any change in their addresses alongwith PIN Code Number; and
   (b) details about their bank account number, name of bank, bank's branch name and address to enable the Company to draw dividend warrant payable accordingly.
7. Nomination facility for shares is now available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents to the address as stated in Note No. 5 above.
8. 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.
9. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
10. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depository. The Company will not act on any direct request from such members for change / deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants immediately.
11. Members attending the Annual General Meeting are requested to bring with them the following :
    (a) Members holding shares in dematerialised form are requested to bring with them their DP & Client ID Numbers.
    (b) Members holding shares in physical form are requested to bring with them their Folio Numbers.
    (c) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
    (d) The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The Company would accept only the Attendance Slip from a member actually attending the Meeting; or from the person attending as a proxy under a valid proxy from registered with the Company not less than 48 hours prior to the Meeting. Attendance Slips of Members/ valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member / person.

The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/ children.

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

Item No. 6, 7 & 8:

In terms of the Ordinary Resolutions passed at the Annual General Meeting (AGM) held on 31.07.98, agreements were entered into by the Company with Shri Surender Kumar Pachisia for reappointment as Non-retiring Whole Time Director, Shri Naresh Pachisia for reappointment as Non-retiring Managing Director and Shri Rajesh Pachisia for reappointment as Non-retiring Managing Director with Salary and perquisites from the Company. Since then, the size of activities of the company has grown substantially and the Board of Directors has taken the decision to expand the business activities and also to explore new horizons. In view of increasing activities of the Company, in the considered opinion of the Board, the vast business experience of these WTD/MDs would be helpful in achieving the desired business growth of the Company. However with a view to enable Shri Surendra Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia to focus on increasing activities of the Company and in line with the prevailing remuneration standards in the industry it was thought appropriate to revise their terms of appointment by entering into new agreement(s) with them in supersession of earlier Resolution(s) and Agreement(s). The draft Agreement between the Company and Shri Surender Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia contain the following terms and conditions:

1. Period of Agreement : 3 Years with effect from 1st April, 2003
2. Remuneration :

(a) SALARY: At the rate of Rs. 50,000/- per month each for Shri Surender Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia. (The Board may at the recommendation of the Remuneration Committee consider and grant an annual increment of upto 20% of the last drawn Salary)

(b) COMMISSION : 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 Companies Act, 1956 subject to a ceiling of Annual Salary.

(c) PERQUISITES & ALLOWANCES : (i) In addition to the salary and comission payable, the Whole Time Director (WTD) and Managing Director(s) (MDs) shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement; club fees and leave travel concession for themselves and their families; medical/accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the WTD and/or MDs; such perquisites and allowances will be subject to a maximum of 100% of their respective annual salaries.

(ii) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision of Car for use on Company's business and telephone at residence (including payment for local calls and long distance official calls) 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 WTD/ MDs.

(iii) 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, 1956. Gratuity payable shall be half a month's salary for each completed year of service.Encashment of Leave at the end of the tenure will be permitted and will not be included in the computation of the ceiling on perquisites.

3. 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 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.
4. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office by Shri Surender Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia the Company shall pay the remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of Part II of the amended Schedule XIII to the Companies Act, 1956 or within such ceilings as my be prescribed under Schedule XIII from time to time and/or under the Companies Act.
5. The terms and conditions of the said appointments and/or Agreements may be altered and varied from time to time by the Remuneration Committee and/or Board as they may, in their discretion, deem fit, within the maximum amount payable to WTD/MDs in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.
6. The Draft Agreements may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu thereof.
7. If at any time the WTD/MDs ceases to be the Director of the Company for any cause whatsoever, he / they shall cease to be the WTD/ MDs.
8. Shri Surender Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia, are relatives of each other. The re-appointment and remuneration payable to them does not fall within the purview of section 314 and 314 (1B) of the said Act, in terms of the provision

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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 the Special Resolution is not required.

9. The Draft Agreements between the Company and Shri Surender Kumar Pachisia, Shri Naresh Pachisia and Shri Rajesh Pachisia are available for inspection by the members of the Company at the Registered Office between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

10 Memorandum of Interest : Shri Surender Kumar Pachisia, Whole Time Director, Shri Naresh Pachisia and Shri Rajesh Pachisia, both Managing Directors being relatives of each other may be deemed to be interested and/or concerned in the above terms of reappointment. No other Director is interested or concerned.

11. This may be treated as an abstract of the Draft Agreements between the Company and Shri Surender Kumar Pachisia as Whole Time Director, Shri Naresh Pachisia as Managing Director and Shri Rajesh Pachisia as Managing Director pursuant to Section 302 of the Act.

12. The Board accordingly recommend the Resolutions set out in item No. 6, 7 and 8 of the Notice for members' approval by way of Ordinary Resolutions.

Item No. : 9

Presently, the Company's Shares are listed on The Calcutta Stock Exchange Association Ltd (CSE) and The Stock Exchange, Mumbai (BSE). However, the bulk of shares have been actively traded at BSE and only negligibly small volume has been traded on CSE, where the overall volumes have also gone down substantially. With a nationwide presence of BSE through its BOLT trading terminal network, investors across the country have an opportunity to trade in the company's shares on BSE with convenience. In view of the extremely low trading volumes, the benefits accruing to the investors by keeping the shares of the company listed on Stock Exchange at Kolkata are not commensurate with the costs incurred by the Company for continued listing on this Stock Exchange, particularly since now the concept of a compulsory listing on a "Regional Stock Exchange" has also been removed.

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Under these Guidelines a Company may delist its shares from a stock exchange where its securities are listed provided that:

1. the securities of the Company have been listed for a minimum period of 3 years on any stock exchange; and
2. an exit opportunity has been given to the investors at an exit price to be determined in accordance with "book building process". However, in cases where the securities of the Company continue to be listed in a stock exchange having nation wide trading terminals, i.e., BSE/NSE, exit opportunity need not be given.
3. there is no concept of a compulsory listing of a share on the "regional stock exchange".

   The members' approval is being sought by passing a Special Resolution for Delisting of Company's equity shares from The Calcutta Stock Exchange Association Limited, Kolkata.

Your Directors recommend the Special Resolution for approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Registered Office:
308,Shantiniketan
8, Camac Street,
Kolkata - 700 017.
Date : 26.04.2003

By Order of the Board of Directors

Vinay Kumar
Company Secretary

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