

Annual
Report
2003-2004

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SKP
SECURITIES LIMITED



CHARTER MEMBER

Association of Financial Planners, India

MEMBER

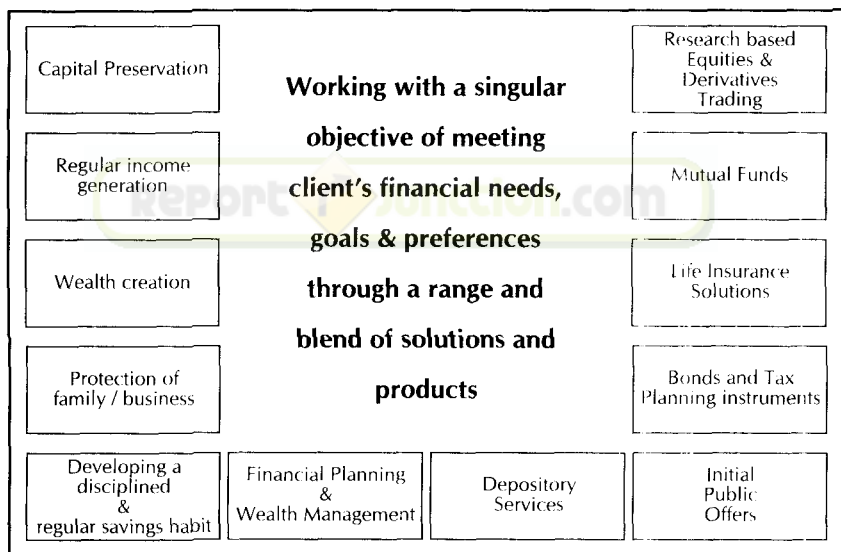
National Stock Exchange of India Ltd.
(Capital Market and Derivative Segments)

DEPOSITORY PARTICIPANT

National Securities Depositories Ltd.
Central Depository Services Ltd

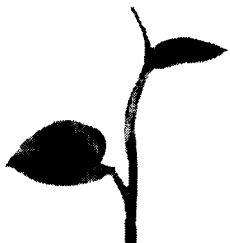
AMFI REGISTERED MUTUAL FUND ADVISOR

Association of Mutual Funds in India



OUR CLIENT SEGMENTS

Banks
Insurance Companies
Asset Management Companies
Corporates and Business Houses
Charitable / Educational / Health Institutions
Non-Profit Organisations
Provident Funds
Individuals from all socio-economic strata



THE MONEY PLANT

Literally and metaphorically, a symbolic proxy for wealth. Climbs upwards; grows spectacularly fast. But needs individual care and immaculate environment condition to develop. With deep rooted support, aims to reach for the sky.

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Board of Directors

Surender Kumar Pachisia

Vice Chairman & Wholtime Director

G.L. Sultania

Independent, Non-executive

Jayant A. Kher

Independent, Non-executive

Kishore Bhimani

Independent, Non-executive

R.L. Kapur

Independent, Non-executive

Ram R Tavargeri

Independent, Non-executive

Naresh Pachisia

Managing Director

Rajesh Pachisia

Managing Director

Auditors

U.S. Agarwal & Associates

42/1, B.B. Ganguly Street

Kolkata - 700 012

Bankers

HDFC Bank Ltd

United Bank of India

Registered Office & Address for Correspondence

308 Shantiniketan

8, Camac Street

Kolkata - 700 017 India

Phone (033) 22821500 Fax (033) 22827553

E-Mail - cs@skpsecurities.com

Mumbai Office

73C, Mittal Court

Nariman Point

Mumbai 400 021 India

Phone (022) 2281 9012 Fax (022) 2283 0932

E-Mail - mumbai@skpsecurities.com

Registrar & Share Transfer Agent

Maheshwari Datamatics (P) Ltd

6, Mangoe Lane (2nd Floor)

Kolkata - 700 001

Phone (033) 2248 2248

Company Secretary & Compliance Officer

Purushottam Kejriwal

NOTICE

TO THE MEMBERS OF SKP Securities Limited

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of SKP Securities Limited will be held at Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001, on Saturday, the 31st day of July 2004, at 10.30 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 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 on Equity Shares for the year ended 31st March 2004.
3. To appoint a Director in place of Shri Kishore Bhimani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration.

M/s U.S. Agarwal & Associates., Chartered Accountants, Kolkata, Auditors of the Company retire at the conclusion of the ensuing Annual general Meeting of the Company and have offered themselves for reappointment.

M/s U.S. Agarwal & Associates., Chartered Accountants have confirmed that their appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

Registered Office:
308, Shantiniketan
8, Camac Street,
Kolkata - 700 017.
Dated 24th April, 2004

By order of the Board

PURUSHOTTAM KEJRIWAL
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 Register of Members and Share Transfer books of the Company shall remain closed from Saturday 17th July, 2004 to Saturday, 24th July, 2004 (both days inclusive) for the purpose of Annual General Meeting and for determining eligibility for dividend for the year ended 31st March, 2004.
3. The Dividend, if declared at the meeting, will be paid to those shareholders whose name appear in the Register of Members of the Company on 24th July, 2004 or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 16th July, 2004.
4. 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.
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. 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. 4 above.
7. 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.
8. 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.

9. 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.
10. 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.

Registered Office:

308, Shantiniketan

8, Camac Street,

Kolkata - 700 017.

Dated 24th April, 2004

By order of the Board

PURUSHOTTAM KEJRIWAL

Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report and Audited Accounts of SKP Securities Ltd. (SKP) for the year ended March 31, 2004.

Financial Highlights

Particulars	Year Ended March (in Rs Lacs)		
	2004	2003	% Change
Total Income	459.49	271.97	68.95
Total Expenditure	243.93	180.06	35.47
Operational Profit	215.56	91.91	134.53
Interest	0.05	0.19	-73.68
Gross Profit	215.51	91.72	134.97
Depreciation	9.45	9.25	2.16
Extraordinary Items	8.44	18.67	-54.79
Profit Before Tax	197.62	63.8	209.75
Provision for Tax (including Deferred Tax Liability)	60.92	29.57	106.02
Profit After Tax	136.70	34.23	299.36
Appropriations			
Proposed Dividend	50.50	50.50	-
Dividend Distribution Tax	6.47	6.47	-
Transferred to General Reserve	10.00	3.60	177.78
Earning Per Share (Rs.)	2.71	0.68	298.53
Net Worth	694.66	616.92	12.60

DIVIDEND

Your Directors take pleasure in recommending payment of a Dividend of 10% (Re.1/- per share) for the year 2003-2004, subject to the approval of shareholders.

BUSINESS PERFORMANCE

Backed by an all-round economic recovery, improved corporate performance, declining interest rates and FII purchases, the Indian Equity Market staged an unprecedented, sharp and smart all-round rally, with indices doubling from the lows to touch an all-time high during the year. Although, such a rally was expected for a long time, when it actually came, it caught most investors unawares. Thus, volumes could take off quite late into the rally. However, it did create a 'feel good' factor in the Indian Capital Markets.

SKP too had an all-round growth in its performance during the year, taking advantage of this rally to some extent, but, and mainly due to the focused efforts made in the preceding years. We enjoyed the patronage of an increasing number of institutional clients in secondary markets. However, your company's plan to have a subsidiary company to enter into the allied field of insurance broking had to be dropped due to technical reasons, although all intentions are there to revive this plan sometime in not too distant a future.

FUTURE OUTLOOK

Capital Markets in India and the activities that SKP is involved in, are poised for a sustained growth, albeit amidst stiff competition and very low

margins. With larger players like banks in the fray, industry is poised for consolidation. SKP is getting positioned accordingly. More, client need-centric, value-added services will be offered to improve the competitiveness and profitability of the company. Additional infrastructure has already been put in place, which will grow as and when required. To meet the challenges of rapid growth, the human resources of the company are being geared up and the organization is being positioned for the aggressive growth plans of the 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 as per statutory requirements. In any case, SKP has always striven to adhere to the best standards of corporate governance.

AUDITORS' REPORT

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

DIRECTORATE

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the company, Shri Jayant A Kher and Shri Kishore Bhimani, Directors of the company, retire by rotation. Being eligible, Shri Kishore Bhimani has offered himself for re-appointment. However, Mr. Jayant A Kher has expressed his desire not to seek re-election because of his other pressing commitments. The Board of Directors, while appreciating

his difficulties, feels that the company would be deprived of his wise counsel. The Board of Directors wishes to place on records its sincere appreciation of the valuable services rendered by Shri Kher during the last 9 years of his association with the company.

LISTINGS

The equity shares of the company were, hitherto, listed at the stock exchanges at Mumbai (BSE) and Kolkata (CSE). However, in view of consistently negligible trading at CSE and the continued listing at BSE, an Exchange having nationwide presence with trading terminals across the country, your Directors had recommend de-listing of the company's equity shares from CSE in terms of SEBI (Delisting of Securities) Guidelines, 2003, subject to approval of the shareholders. Subsequently, shareholders' approval was taken at the last AGM and stipulated proceedings have been completed for the de-listing of the company's shares on CSE. Their confirmation is still awaited as on date.

AUDITORS

The Auditors, M/s U S Agarwal & Associates, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

Your Company did not accept any fixed deposits during the year.

STATUTORY INFORMATION

a) Conservation of Energy

Your Company not being a Manufacturing Company, the provisions relating to measures for conservation of energy and

reduction of energy consumptions are not applicable.

b) Technology Absorption

No comment is being made on technology absorption considering the nature of activities undertaken by your Company during the period under review.

c) Foreign Exchange Earning/Outgo

Expenditure incurred in Foreign Currency during the year Rs. 26,606.

d) Information under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

None of the employees of the Company was in receipt of remuneration in the aggregate which was in excess of Rs.24,00,000/- if employed throughout the year, or at a rate, which was in excess of Rs.2,00,000/- per month, if employed for a part of the year.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the Companies (Amendment) Act, 2000, the Directors state that:

- i. In the preparation of annual accounts, all applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished.
- ii. Accounting policies as listed in Schedule I to the financial statements have been selected and consistently applied and

Annual Report 2003-2004

reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2004 and of the profit of the Company for the accounting year ended on that day.

- iii. Proper and sufficient care for maintenance of adequate records has been taken in accordance with the provision of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

- iv. The annual accounts have been prepared on a going concern basis.

Acknowledgement

The Board expresses its deep gratitude and thanks to the clients, bankers, associates and shareholders for their valuable contribution towards the progress of the Company. Your Directors particularly wish to place on record their sincere appreciation of the best efforts put in by the employees at all levels, but for which, the Company could not have achieved what it did during the year under review.

Registered Office:

308 Shantiniketan
8 Camac Street
Kolkata 700 017

Dated: April 24, 2004

For and on behalf of the Board

Naresh Pachisia

Rajesh Pachisia

Managing Directors