

SKP Securities Limited

ANNUAL REPORT

Report 2008-2009

ISO 9001:2000



moneywise
creating prosperity

SKP Moneywise Hall of Fame Awards for Business Partners

Felicitating Broking Partners



*Mr. S. K. Mitra, Director, SKP Securities Ltd.
felicitating a Business Partner for excellence in
Retail Broking Business*



Our Business Partners for Retail Broking



*The SKP Moneywise
Hall of Fame Awards
Trophy*



Our Business Partners for Retail Distribution



*Mr. Naresh Pachisia, Managing Director,
SKP Securities Ltd.
felicitating a Business Partner
for excellence in Retail Distribution*



Our Corporate Personality

The moneywise logo, symbol and colours truly reflect our growth and vigour, and what SKP does – using its knowledge and wisdom acquired over decades of experience, to help people to be moneywise, creating a sense of prosperity in them, bringing happiness to their lives.

Our Core Values

Customers First
Ethical & Transparent
Speed with Quality and Economy
Knowledge sharing & Innovation
Passion & Ownership
Empowerment and Meritocracy
within Team Work

BOARD OF DIRECTORS

- S. K. Mitra - Independent, Non - executive
G. L. Sultania - Independent, Non - executive
Kishore Bhimani - Independent, Non - executive
Sanjay Chamria - 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
Axis Bank Ltd
State Bank of India
Vijaya Bank

Registered Office & Correspondence Address

Chatterjee International Centre, Level 21
33A, Jawahar Lal Nehru Road
Kolkata 700071, India
Phone (033) 40077000
Fax (033) 40077007
E-Mail - cs@skpmoneywise.com

Mumbai Office

73C, Mittal Court (C-wing)
Nariman Point
Mumbai 400 021 India
Phone (022) 2281 9012
Fax (022) 22830932
E-mail - mumbai@skpmoneywise.com

Registrar & Share Transfer Agent

Maheshwari Datamatics (P) Ltd.
6 Mangore Lane (2nd Floor)
Kolkata -700 001
Phone: (033) 2248 2248

Company Secretary

Ankita Kandoi

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CHARTER MEMBER

Financial Planning Standards Board, India

MEMBER

National Stock Exchange of India Ltd.

Bombay Stock Exchange, Ltd.

National Commodities & Derivatives Exchange Ltd*.

Multi Commodity Exchange of India Ltd.*

Multi Commodity Exchange - Stock Exchange (MCX - SX)

*SKP Commodities Ltd.

DEPOSITORY PARTICIPANT

National Securities Depositories Ltd.

Central Depository Services (I) Ltd.

AMFI REGISTERED MUTUAL FUND ADVISOR

Association of Mutual Funds in India

OUR CLIENT SEGMENTS

Banks

Insurance Companies

Mutual Funds

Corporate & Business Houses

Charitable / Educational / Health Institutions

Non-Profit Organisations

Provident Funds

Individuals from all socio-economic strata

OUR SERVICES

Equities & Derivatives Broking

Commodities Broking*

Currency Broking

Depository Services

Mutual Funds Advisory

Life Insurance Advisory*

Initial Public Offers

Financial Planning & Prosperity Management

* Associate Entities

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report and Audited Accounts of SKP Securities Ltd. for the year ended March 31, 2009.

Financial Highlights

Particulars	Year Ended March (in Rs Lacs)	
	2009	2008
Total Income	978.04	1543.57
Total Expenditure	919.78	1143.10
Operational Profit	58.26	400.47
Depreciation	53.49	20.57
Profit Before Tax	4.77	379.90
Provision for Tax (including Deferred Tax Liability)	(3.97)	153.27
Profit After Tax	8.74	226.63
Appropriations		
Proposed Dividend	0.00	70.19
Dividend Distribution Tax	0.00	11.93
Transferred to General Reserve	0.00	25.00
Earning Per Share (Rs.)	0.16	4.36
Net Worth	1450.70	1441.96

Dividend

Your Directors expresses regret for the company's inability to pay dividend this year due to inadequacy of profits.

Business Performance

SKP's performance should be reviewed in the backdrop of the performance of financial markets, particularly equity and debt markets. Rising to an all time high of over 21000 on the BSE Sensex in January 2008, equity markets crashed in the same month, setting in motion an interim bear phase, which, as reported last year, was not likely to go away in hurry. Infact, global events, which are of rarest of rare kind in history, accentuated it. In line with the rest of the world, India's stock market witnessed one of its sharpest and deepest falls ever, amidst unprecedented volatility to an intraday low of below 7700. With eroding investor wealth and confidence, volumes came down to negligible levels and so did our income. Meanwhile, except for a brief period when bonds witnessed an unprecedented fast rally in the aftermath of a period when credit risk loomed large, the debt market continued to be bearish and volatile throughout the year, keeping investors away from this market except parking in money market funds.

Income across all verticals, except Depository Services, declined sharply. However, the size of business continued to grow. Inspite of a 20% fall in the overall assets under management (AUM) of the Indian Mutual Fund Industry, we maintained our AUM at the same level, just above Rs.1000 Crores in our mutual funds advisory business, enlarging our base of investor accounts to over 150,000. Size of the broking business grew to 65 institutional clients, about

15000 retail clients and 10000 demat account holders being served from over 200 outlets. We commenced Currency Futures business as a member of MCX-SX. SKP Commodities Ltd, a member of MCX and NCDEX, in which the company had 49% equity stake, has become a 100% subsidiary of the company in April 2009. Business volumes remained same as last year. We opened up an office in Delhi.

Seeing the deteriorating business conditions ahead, your company changed gears mid way in the year with a focus on downsizing of operations and cost rationalization all around. This saved the company from a negative bottomline and more competitively poised for future.

Future Outlook

SKP is currently in a consolidation phase. Being conservative has helped as all future options remain intact. As business confidence rise, which is expected to happen sooner than later, we shall get back to the growth path with innovative offerings.

Corporate Governance

Your Company has always strived to maintain the highest standards of Corporate Governance. All the stipulations set out in the Listing Agreement have been adhered to by your Directors.

A Report on Corporate Governance is attached to this report as per statutory requirements.

Certificate from the Auditors of the Company M/s. U.S. Agarwal & Associates, confirming the compliance of conditions of Corporate Governance is annexed to this Report.

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 G.L. Sultania, Director of the company, retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Listings

The equity shares of the company are, hitherto, listed at the stock exchanges at Mumbai (BSE) and Kolkata (CSE). However, in view of consistently negligible trading at CSE, your Directors had applied for de-listing of the company's equity shares from CSE in terms of SEBI (Delisting of Securities) Guidelines, 2003, with the shareholders' approval received, at the AGM for the year 2002-2003. All the stipulated proceedings have been completed for the de-listing of the company's shares on CSE as reported in the previous four years' Directors' Report itself. However,

the confirmation is still awaited from CSE as on date.

Auditors

The Auditors, M/s U S Agarwal & Associates, Chartered Accountants, retire and being eligible, offer themselves for re-appointment as the statutory auditors of the Company pursuant to Section 224 of the Companies Act, 1956.

Fixed Deposits

Your Company did not accept any fixed deposits U/S 58A of the Companies Act 1956, during the year.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning/Outgo

Your Company not being a Manufacturing Company, the provisions relating to measures for conservation of energy and reduction of energy consumptions are not applicable. No comment is being made on technology absorption considering the nature of activities undertaken by your Company during the period under review. Expenditure incurred in Foreign Currency during the year is Rs.43,334.00

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

- As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are as under :-

Name	Designation	Qualification	Age	Joining Date	Experience (Years)	Gross Remuneration (Rs.)	Previous Employment
Naresh Pachisia	Managing Director	B Com CFP	46	Since Incorporation	27	10,50,000	-
Rajesh Pachisia	Managing Director	B Com CFP	43	Since Incorporation	25	10,50,000	-

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 with proper explanations relating to material departures.
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2009 and of the profit of the Company for the accounting year ended on that day.
- iii. the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Act so as to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the Annual Accounts on a going concern basis.

Acknowledgement

The Board expresses its deep gratitude and thanks to the clients, bankers, business 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.

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Registered Office:

Chatterjee International Centre
33A, J. L. Nehru Road, 21st Floor
Kolkata 700 071

Dated: 08th May , 2009

For and on behalf of the Board

Naresh Pachisia
Managing Director

CORPORATE GOVERNANCE REPORT

Corporate Governance is about running the company, in letter and spirits, according to the legal framework provided by Clause 49 of Listing Agreement and other guidelines as laid down by SEBI from time to time, which aims at ethical and transparent business conduct, meeting stakeholders' aspirations and societal expectations, strengthening internal control, building trust amongst shareholders, employees, customers, suppliers and diverse stakeholders on four key elements- transparency, fairness, disclosure and accountability.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement as

on 31.03.2009, in letter and spirits, and presents the following Corporate Governance Report based on the said disclosure requirements:

Company's Philosophy on Code of Governance

The Company's Philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, and lenders and places due emphasis on regulatory compliances. The Company believes that its systems and actions must be dovetailed for enhancing corporate performance and maximizing shareholder value in the long term.

Board of Directors

Composition and Category as on 31.03.2009

Your company has an optimum combination of executive and non-executive directors with 67 percent of the Board of Directors comprising of non-executive directors.

- 2 Promoter, Executive Directors
- 4 Independent, Non Executive Directors

The composition of the Board of Directors as on 31.03.2009 and also the number of other Board of Directors of which they are a member are as under:

Name of Director	Category	No. of other Directorship
Shri Naresh Pachisia Managing Director	Promoter, Executive	5
Shri Rajesh Pachisia Managing Director	Promoter, Executive	1
Shri G.L. Sultania	Independent, Non-Executive	13
Shri Kishore Bhimani	Independent, Non-Executive	1
Shri Sanjay Chamria	Independent, Non-Executive	2
Shri Subrata Kumar Mitra	Independent, Non-Executive	4

Note: Private limited Companies, foreign companies and section 25 companies have been excluded for the above purpose

Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended March 31 2009, four Board Meetings were held on 26th April 2008, 26th July 2008, 25th October 2008, and 17th January 2009. The maximum time gap between two meetings complies with the mandated requirement of not more than 4 months. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Director	Number of Board Meetings attended	Attendance at last AGM held on 26/07/2008
Shri Naresh Pachisia	4	Present
Shri Rajesh Pachisia	4	Present
Shri G.L. Sultania	4	Present
Shri Kishore Bhimani	4	Present
Shri Sanjay Chamria	4	Present
Shri Subrata Kumar Mitra	3	Present

Non Executive Directors compensation and Disclosures

Non Executive Directors were not paid any compensation other than sitting fees.

Code of Conduct and Ethics for Directors and Senior Executives

In line with the amended Clause 49 of the Listing Agreement, the Company adopted a Code of Conduct and Ethics for its Directors and Senior Executives. The purpose of this code is to promote conduct of business ethically in an efficient and transparent manner.

Audit Committee

Composition

The Audit Committee of the Company comprises of two Independent, Non-Executive Directors and one Executive Director. All the members of the committee possess knowledge of Corporate Finance, Accounts, Audit and Company Law. The Chairman of the Committee is an Independent, Non Executive Director nominated by the Board. The Company Secretary acts as the Secretary to the Committee. The constitution of the Audit Committee is as follows:

· Shri G.L. Sultania	Chairman	Independent, Non Executive
· Shri Kishore Bhimani	Member	Independent, Non Executive
· Shri Naresh Pachisia	Member	Managing Director

Broad Terms of Reference

The Audit Committee of the Company, inter-alia, provides guidance to the Board on the adequacy of the Internal Control and financial disclosures. They also provide guidance to liaise with the Internal Auditors as well as the Statutory Auditors of the Company. The terms of reference of the Audit Committee include: