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*Nucleus*

**NUCLEUS SECURITIES LIMITED**

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**13TH ANNUAL REPORT**  
**1996-97**



**NUCLEUS SECURITIES LIMITED**

REGISTERED OFFICE : 'ARAMBHA' Saki - Vihar Road, Opp L &amp; T Gate no. 7, Andheri (E), Mumbai - 400 072.

**Proxy**

I/We being member (s) of NUCLEUS SECURITIES LTD SERVICES LIMITED hereby appoint.

Shri/ Smt. \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

or failing him/her

Shri/Smt \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

as my/our proxy to attend and vote on my/our behalf at the Annual General meeting of the Company to be held on Saturday, the 12th July 1997 at the Registered office of the Company at "Arambha", Opp. L & T Gate No. 7, Saki-Vihar Road, Andheri (E), Mumbai - 400 072. 11.00 a.m.

Signed \_\_\_\_\_

**Affix  
30p.  
Revenue Stamp**

Date : \_\_\_\_\_

Member's Name \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

1. The Proxy need Not be a member.
2. The form signed across 30 place revenue stamp should reach the Company's Registered office atleast 48 hours before the scheduled time of the meeting.
3. Please fill in full particulars

**NUCLEUS SECURITIES LIMITED****ADMISSION CARD****TO BE PRESENTED AT THE ENTRANCE**

Member's Name

I hereby record my presence at the 4th Annual General Meeting of NUCLEUS SECURITIES LIMITED being held at the Registered Office of the Company at "Arambha", Opp. L & T Gate No. 7, Saki-Vihar Road, Andheri (E), Mumbai- 400 072, Saturday, 12th July, 1997, at 11.00 a.m.

Folio No.

Name of Proxy  
(if attending for member)

Signature of the  
member/proxy

1. Shareholders/Proxies are requested to bring the Duly Signed admission card to the meeting and hand it over at the entrance.
2. For the convenience of members, persons other than members/proxies will not be admitted.



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**NUCLEUS SECURITIES LIMITED**

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BOARD OF DIRECTORS : MR. ASIT C. MEHTA - CHAIRMAN  
MRS. DEENA A. MEHTA  
MR. KIRIT H. VORA  
MR. VIRENDER K. ARORA  
MR. GAUTAM B. DOSHI  
PROF. N. VENKITESWARAN

AUDITORS : M/S. M. P. CHITALE & COMPANY  
CHARTERED ACCOUNTANTS

SOLICITORS : M/S. WADIA GHANDY & COMPANY

BANKERS : BANK OF MADURA LIMITED  
ORIENTAL BANK OF COMMERCE  
THE BENARES STATE BANK LIMITED  
BANQUE INDOSUEZ

REGISTERED OFFICE : "ARAMBHA"  
SAKI-VIHAR ROAD,  
OPP. L & T GATE NO. 7  
ANDHERI (E), POWAI  
MUMBAI - 400 072.

13TH ANNUAL GENERAL MEETING  
ON 12TH JULY, 1997  
AT 11.00 A. M. AT THE REGISTERED  
OFFICE OF THE COMPANY.

## NUCLEUS SECURITIES LIMITED

NOTICE

Notice is hereby given that Thirteenth Annual General Meeting of the Company will be held at the Registered Office at 'Arambha' Opp. L & T Gate No. 7, Saki-Vihar Road, Andheri (East), Powai, Mumbai 400 072 on Saturday, the 12th July, 1997 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and Profit and Loss Account for the 9 months accounting period ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare a Dividend on Equity Shares for the 9 months period ended 31st March, 1997.
3. To appoint a Director in place of Mrs. Deena A. Mehta, who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kirit H. Vora, who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Auditors 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 the Board of Directors be and are hereby authorised to appoint in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956, to audit the accounts of the Company's Branches for the year 1997-98 and to fix their remuneration and the terms and conditions on which they shall carry out the audit."

For and On behalf of Board

Place : Mumbai  
Date : 2nd June, 1997

Asit Mehta  
Chairman

**NOTES :-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books shall remain closed from 1st July, 1997 to 12th July, 1997 (both days inclusive).
3. The Dividend, if declared, will be paid to those members whose names appear in the Register of Members of the Company on 12th July, 1997.
4. Members are requested to send unclaimed/unpaid dividend warrants, if any, for the years 1993-94, 1994-95 and 1995-96 to the Registered Office of the Company for Issue of fresh Cheques / revalidation. Also note that unclaimed / unpaid Dividend for the year 1993-94 shall be transferred to the General Revenue Account of the Central Government during July, 1997.
5. Members are requested to notify any change in their addresses to the Registered Office or to the Company's Share Transfer Agents M/s. Nucleus Shares Custodian Services Limited at "Arambha" Ground Floor, Opp. L & T Gate No. 7, Powai, Saki-Vihar Road, Andheri (East), Mumbai 400 072.
6. An explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, has been annexed herewith.



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

**ITEM NO. 6 :**

The Company has Branch Offices at different places in India and it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, persons qualified for appointment as Auditors of the Company under Section 226 of the Companies Act, 1956 to audit the accounts of such of the Branch Offices (s) and at such remuneration and upon such terms and conditions as the Board of Directors deem fit, pursuant to the provision contained in section 228 of the Companies Act, 1956.

None of the Directors is concerned or interested in this resolution

For and On behalf of Board

Place : Mumbai  
Date : 2nd June, 1997

Asit Mehta  
Chairman

## DIRECTORS REPORT

To the Members,

The Directors submit their Thirteenth Annual Report together with the Audited Accounts for the 9 months accounting period ended 31st March, 1997.

(Rs. in Lakhs)

1. FINANCIAL RESULTS	For the period ended 31.03.97 (9 Months)	For the year ended 30.06.96
Profit before Interest, Depreciation & Taxation	44.33	50.72
Profit Before Depreciation and Tax	41.23	37.62
Depreciation	25.99	30.64
Profit Before Tax	15.24	6.98
Provision for Tax	--	0.20
Profit after Tax	15.24	6.78
Prior Period adjustments	(1.40)	3.58
Balance brought forward from the previous year	107.85	112.29
Proposed Dividend (5%)	16.97	14.78
Corporate Dividend Tax	1.70	--
Transfer to Reserve Fund	3.25	--
Balance Carried Forward	99.77	107.85



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**NUCLEUS SECURITIES LIMITED**


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**2. DIVIDEND :-**

The Board recommends a dividend @ 5% for the Nine months period ended 31.3.1997 having an out-go of Rs. 16.97 lacs.

**3. CHANGE IN ACCOUNTING YEAR :**

The accounting year of the Company has been changed to March-end instead of June-end to fall in line with the Income Tax Act, 1961. Thus, the present accounts are for a period of nine months ending 31st March, 1997.

**4. OPERATIONS :**

The performance of the Company for 9 months period ended March 1997 was satisfactory. The gross Income from operations grew marginally, and profit before taxes also recorded a marginal jump. The improved profitability was made possible by a greater focus on operational efficiency and costs control measures.

The income from the Money Changing Division continued its upward trend and with the opening-up of branches in last year the business has shown consistent growth. Due to funds constraints branches expansion was deferred and it is expected that during the current year additional 3 branches will be opened.

The performance of Portfolio & Research services division was satisfactory. The Company undertook an overseas assignment for research and consultancy services and earned a foreign exchange of Rs. 4.97 lacs. The Portfolio Management Services showed a steady growth with an increase in the clientele.

Due to financial constraints no growth was possible in the Leasing & Hire Purchase business. Due to delays and defaults by the client (s) in payment of Hire Purchase & Lease rentals and in compliance of the prudential norms prescribed by the Reserve Bank of India, the income thereof have been substantially reduced.

Due to depressed primary capital market, the Merchant Banking activities remained at low ebb. The Company is considering to refocus its strategy to render value-added services rather than depending only on Primary Issues.

**5. FUTURE OUTLOOK :**

The ever increasing pace of reforms has continuously opened up new challenges before the Financial Services Industry. This is only likely to be further accentuated. The Company has been reducing costs substantially, improving service standards and continuously exploring new opportunities consistent with these developments.

In view of the proposed Capital Account convertibility, the Money Changing Division is expected to fair better at each branch level. Also, further expansion would boost the performance of this division.

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**NUCLEUS SECURITIES LIMITED**

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The Corporate Finance, Research, Information & Portfolio Division have shown steady growth and trend is expected to continue. The Merchant Banking activities have been on very low key and no further major growth is expected from traditional primary issues having fee based income. The Company will continue its small presence in Hire Purchase Finance activities on a selective basis.

Overall, the Company is expected to perform better in the current financial year.

**6. LAPSE OF WARRANTS**

In view of the depressed share market price, none of the warrant-holders exercised their right to apply for equity share @ Rs. 35 per share against the detachable warrants allotted in terms of Letter of Offer dated 10/04/1995 and thus the right thereof has lapsed.

**7. DEPOSITS :**

The public deposits as at 31.3.1997 stood at Rs. 84.72 lacs as against Rs. 50.04 lacs as at 30.6.1996. The Fixed Deposit rating continues to be "FA" from CRISIL. As at 31.3.1997 4 deposits aggregating to Rs. 45,000 remained unclaimed.

**8. SUBSIDIARY :**

The Company with the permission of the Central Government increased its stake in Nucleus Shares Custodian Services Limited thereby having a holding of 51% and making it the subsidiary of your Company.

As required by Section 212 of the Companies Act, 1956, the Directors Report, the Audited Accounts and the Auditors Report for the year ended 31st March 1997 of the subsidiary is enclosed.

The operating results reflect substantial improvement in Income and overall performance.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURES :**

Particulars required Under Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are NIL, and thus the same are not furnished herewith. The Foreign Exchange earnings and out go are reported in Schedule '19', forming part of the Accounts for the period ended 31st March, 1997.

**10. PARTICULARS OF EMPLOYEES :**

The information as required under Section 217 (2A) of the Companies Act, 1956 forms part of this report. However, pursuant to Section 219 (1) (b) (iv) of the Companies Act, 1956 the report is being sent excluding the statement of particulars of employees. The statement will be sent to members who may be desirous of having the same on specific written request addressed to the Company.