

MD	✓		BKC	✓
CS	NA		DPY	✓
RC	✓		DIV	✓
TRA	NA		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		



CIL securities Ltd

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**8th Annual Report
1996 - 97**

CIL SECURITIES LIMITED

BOARD OF DIRECTORS

Shri R.K. Maheshwari, Chairman & Managing Director
Shri K.K. Maheshwari
Smt Pramila Maheshwari
Shri V.V. Sastry (Upto 5-1-97)
Shri M.P. Murthy
Shri Ramesh Bhuraria
Shri S.N. Kanchaal
Shri S.M. Agarwal
Shri Ram Nivas Jhoshi
Shri P.J. Mehta, Executive Director

AUDITORS

Ramkishore Jhawar & Associates
Chartered Accountants
14-06-196, Nagar Khana,
Begum Bazar, Hyderabad.

SOLICITOR

K.K. Waghlay
'Kushal' H.No. 6-3-1186/A/4/A,
Behind Hotel Blue Moon,
Begumpet, Hyderabad.

BANKERS

Canara Bank
State Bank of India
ANZ Grindlays Bank Plc

REGISTERED OFFICE

214, Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.

CORPORATE OFFICE

130-132, Room No. 20, 2nd Floor
Great Western Building,
Opp. Lion Gate, Bombay Samachar Marg
Bombay - 400 023.

CIL SECURITIES LIMITED**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the members of **CIL Securitied Limited** will be held on Saturday the 27th September 1997 at Surana Udyog Auditorium, Federation of A.P. Chamber of Commerce and Industry, 11-6-841, Red Hills, Hyderabad - 500 004 at 11.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, and the Profit and Loss account for the year ended as on that date and the reports of the Board of Directors and Auditors thereon
2. To appoint a Director in the place of Sri. K.K. Maheshwari, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Sri. M.P. Murthy, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Smt. Pramila Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution.

"Resolved That Sri. Sanwar Mal Agarwal, who was appointed as an Additional Director on 28th March, 1997 and who ceases to hold office at this meeting under section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company".

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

"Resolved That Sri. Ramnivas Joshi, who was appointed as an Additional Director on 27th June, 1997 and who ceases to hold office at this meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidate for the office of the Director, be and is hereby appointed as Director of the Company".

By Order of the Board
for **CIL Securities Limited**

P.J. MEHTA
Executive Director

Registered Office :
214, Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001
Date : 27th June, 1997.

NOTES :

1. A member entitled to attend and vote at the meeting in entitled to appoint a proxy to attend and vote instead of himself and a proxy need not a member. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the meeting.
2. The Register of the Members and Share Transfer Books of the Company will remain closed from 21st September, 1997 to 27th September, 1997 (both days inclusive).
3. The Members desirous of any information on the accounts are requested to write to the Company atleast a week before the meeting so as to enable the management to keep the information ready.
4. The members attending the meeting are requested to bring the enclosed attendance slip and deliver the same at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only on producing the attendance slip duly signed.
5. Duplicate attendance slip shall not be issued at the Annual General Meeting venue. However the same shall be issued at the Registered Office of the Company up to two days preceding the day of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**ITEM NO. 6**

Under the provisions of section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company, the Board had appointed Sri. Sanwar Mal Agarwal as Additional Director of the Company. Sri. Sanwar Mal Agarwal holds office upto this Annual General Meeting, but being eligible, offers himself for appointment as a Director liable to retire by rotation. The Company has received Notice in writing from a Member, under Section 257 of the Companies Act, 1956 proposing the candidature of Sri. Sanwar Mal Agarwal for the office of Director.

Sri. Sanwar Mal Agarwal may be regarded as being interested in the resolution for his appointment. No other Director is in any way concerned or interested in this resolution.

ITEM NO. 7

Under the provisions of Section 260 of the Companies Act, 1956 and Article 92 of the Article of Association of the Company, the Board had appointed Sri. Ramnivas Joshi as Additional Director of the Company. Sri. Ramnivas Joshi holds office upto this Annual General Meeting, but being eligible, offers himself for appointment as a Director liable to retire by rotation. The Company has received notice in writing from a member, under Section 257 of Companies Act, 1956 proposing the candidature of Sri. Ramnivas Joshi for the office of Director.

Sri. Ramnivas Joshi may be regarded as being interested in the resolution for his appointment. No other Director is in any way concerned or interested in this resolution.

Registered Office :
214, Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.
Date : 27th June, 1997

By Order of the Board
for **CIL SECURITIES LIMITED**

P.J. MEHTA
Executive Director

CIL SECURITIES LIMITED**DIRECTORS' REPORT**

Your Directors present herewith the Eighth Annual Report together with audited statement of accounts of the Company for the year ended 31.03.1997.

FINANCIAL RESULTS

Particulars	(Rs. in Lakhs)	
	Year Ended 31.03.97	Year Ended 31.03.96
Operating Income	159.69	113.12
Profit before Depreciation and Tax	28.58	66.68
Depreciation	11.24	5.77
Provision for Taxation	5.50	26.16
Profit after Tax	11.84	34.75
Balance of Profit & Loss A/c. brought forward from the previous year	12.46	10.87
Profit available for appropriation	24.30	45.62
Proposed Dividend (Subject to deduction of Tax at source)	—	33.16
Surplus carried to Balance Sheet	24.30	12.46

During the year 1996-97 the company recorded an aggregate income of Rs.159.69 lacs as against the total operating income of Rs.113.12 lacs in the year 1995-96. Despite the total income registering an increase of 41% over the previous year the net profit declined during 1996-97 to Rs.11.84 lacs from Rs.45.62 lacs recorded in the year 1995-96. The decline in the net profit is mainly because of heavy squeeze in the margins on broking operations on account of both increase in the competition and continued depressed secondary market. Besides, the depreciation in the value of long-term investments and the decline in the activities of Merchant Banking and Registrars and Share Transfer on account of continued sluggishness in the primary market have also been responsible for the fall in the profitability.

DIVIDEND

In view of the decline in the net profits during the year under consideration and to conserve the resources for strengthening the operations of the company, your Directors do not recommend any dividend during the year.

CURRENT OUTLOOK

The depression in the capital market, both primary and secondary, continued this year also. In spite of announcement of investment friendly budget by the Finance Minister, there has been no significant improvement in the sentiment of the investors which has forced number of prospective promoters to withhold their public issues. Consequently, the company's Merchant Banking and Registrar and Share Transfer activities have been at a low ebb. The scenario in the broking activity is also not that encouraging. With the increase in the number of terminals there has been sever competition resulting in the squeezing in of the margins. The company therefore has decided to aim for volume in the NSE broking and consequently decided to open its counters in various important cities to capture the prospective markets. The company has already opened counter at Bombay, Delhi with plans to open further counters at Indore, Jaipur, Calcutta, Guntur and Varanasi.

DIVERSIFICATION PLANS :

With the establishment of NSDL, your company has also taken approval from NSDL for acting as depository participant and for handling electronic shares. With more and more companies opting for de-materialisation of its scripts the company for-see good business opportunities in these areas.

PROJECTION Vs. PERFORMANCE

(Persuant to CL.43 of the listing Agreement)

	Projections (As per prospectus dt. 24.3.95)	Rs. Lacs Actuals
Total Income	325.00	159.69
Project After Tax	152.77	11.84

The Company could not achieve the projections mainly due to continued recession in both Primary & Secondary markets.

DIRECTORS

Sri. K.K. Maheshwari, Sri. M.P. Murthy and Smt. Pramila Maheshwari Directors retire by rotation and being eligible offer themselves for re-appointment.

Your Directors regret to inform with profound grief the sudden demise of Sri. V.V. Sastry, Director on 05.01.97. Your Directors place on record its appreciation for valuable service and guidance rendered by Sri.V.V. Sastry to the company during his tenure as Director.

AUDITORS

M/s. Ramkishore Jhavar & Associates, Chartered Accountants, Hyderabad retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

PUBLIC DEPOSITS

During the year under review the Company has not accepted any public deposits.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 none of the employee of the Company have been paid remuneration exceeding Rs. 3 Lakhs per annum.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, INFORMATION UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956.

Your Company has no activity relating to conservation of energy and technology absorption. The company does not have any Foreign Exchange earnings or outgo.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for continued support from the Bankers of the Company and all the employees and shareholders at all times for the sustained growth and performance of the Company.

for and on behalf of the Board

R.K. MAHESHWARI
Chairman & Managing Director

Place : Hyderabad

Date : 27th June, 1997

CIL SECURITIES LIMITED**AUDIT REPORT**

To,

The Members of
CIL Securities Limited,

We have audited the attached Balance Sheet of M/s. CIL Securities Ltd., as at 31st March, 1997 and Profit and Loss Account for the year ended as on 31.03.97 and report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the Audit.
- b) In our opinion proper books of Account, as required by law have been kept by the company so far as it appears from the examination of such books.
- c) The Balance Sheet dealt with by this report is in agreement with the books of account.
- d) As required by the Manufacturing and other Companies (Auditor's Report) order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies

Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order wherever applicable.

- e) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with and subject to the notes thereon, given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

a) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 1997.

b) in the case of Profit & Loss Account, of the Profit of the company for the year ended on that date.

for **RAMKISHORE JHAWAR & ASSOCIATES**
CHARTERED ACCOUNTANTS.

RAMKISHORE JHAWAR
PROPRIETOR

Place : Hyderabad

Date : 27.6.1997

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (d) of our Report of Even date

01. The Company has maintained Proper records showing full particulars including quantitative details of Fixed Assets. All the Fixed Assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable. To best of our knowledge, no material discrepancies have been noticed on verification.
02. None of the Fixed Assets have been revalued during the year.
03. The Company has not taken any loans, secured or unsecured, from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and or from the Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
04. The Company has not given any loans, secured or unsecured, to the Companies, firms or other parties listed in the register maintained under section 301 and/or to the Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
05. The parties and employees to whom loans and advances in the nature of loans, and interest wherever applicable given by the Company, are repaying the principle as stipulated and in our opinion, the terms and conditions of which prima facie not prejudicial to the interest of the Company.

06. In our opinion and according to the information given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of equipment and other assets.

07. The Company has not accepted any deposits from the public during the year.

08. The company has no Internal Audit System.

09. According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, are outstanding as on 31st March, 1997 for a period more than six months from the date they become payable.

10. According to the information and explanations given to us, and the records of the Company examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.

11. In respect of Company's trading in shares and securities and investments proper records have been maintained.

12. Item No. 4A (iii) (iv) (v) (vi) (xi) (xii) (xiv) (xvi) (xvii) (xx) and 4D (ii) (iii) are not applicable.

for **RAMKISHORE JHAWAR & ASSOCIATES**
CHARTERED ACCOUNTANTS.

RAMKISHORE JHAWAR
PROPRIETOR

Place : Hyderabad

Date : 27.6.1997

CIL SECURITIES LIMITED**BALANCE SHEET AS AT 31ST MARCH 1997**

Particulars	Schedule	As At 31.3.97 Rs.	As At 31.3.96 Rs.
I. SOURCES OF FUNDS			
Shareholders Funds :			
a) Share Capital	A	5,00,00,000	5,00,00,000
b) Reserve & Surplus		24,30,201	12,46,431
		<u>5,24,30,201</u>	<u>5,12,46,431</u>
Loan Funds :	B		
a) Secured Loans		—	—
b) Unsecured Loans		5,23,967	1,51,544
Total		<u>5,29,54,168</u>	<u>5,13,97,975</u>
II. APPLICATION OF FUNDS			
Fixed Assets	C		
a) Gross Block		92,18,069	36,46,361
b) Less : Depreciation		20,55,071	9,32,218
		<u>71,62,998</u>	<u>27,14,143</u>
c) Add. Capital work in progress		3,83,100	3,38,847
		<u>75,46,098</u>	<u>30,52,990</u>
Investments	D	1,57,88,225	2,07,27,814
Current Assets, Loans & Advances	E	4,30,23,119	3,48,89,957
Less : Current, Liabilities & Provisions	F	1,54,73,394	96,01,797
Net Current Assets		<u>2,75,49,725</u>	<u>2,52,88,160</u>
Misc. Expenses	G	20,70,120	23,29,011
Total		<u>5,29,54,168</u>	<u>5,13,97,975</u>

NOTES forming Part of Accounts

M

Accounting Policies and Schedules 'A' to 'M' form an Integral part of the Accounts

Vide our report even date

For & on behalf of the Board

for **RAMKISHORE JHAWAR & ASSOCIATES**

Chartered Accountants

RAM KISHORE JHAWAR
Proprietor

R.K. Maheshwari

K.K. Maheshwari

M.P. Murthy

S.N. Kanchal

Pramila Maheshwari

P.J. Mehta

Chairman & Managing Director

Directors

Executive Director

Place : Hyderabad

Date : 27.06.97

Place : Hyderabad

Date : 27.06.97

CIL SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

Particulars	SCHEDULE	Year ended 31.03.1997 Rs.	Year ended 31.03.1996 Rs.
INCOME			
Securities Broking		1,04,59,514	53,60,087
Investment Banking		40,41,179	43,89,966
Sales		—	42,632
Intrest		2,28,251	3,22,822
Dividend		1,29,928	2,31,460
Merchant Banking Fees		4,19,217	5,99,500
Registrar & Share Transfer Fees		6,65,616	3,26,712
Other Income	H	25,571	39,000
		<u>1,59,69,276</u>	<u>1,13,12,179</u>
EXPENDITURE			
Increase / (Decrease) in Closing Stock	I	—	38,280
Employees Emoluments	J	16,81,158	11,20,000
Administrative and Other Expenses	K	1,14,29,879	34,12,239
Interest	L	—	74,188
Depreciation	C	11,24,469	5,76,829
		<u>1,42,35,506</u>	<u>52,21,536</u>
Profit Before Tax		17,33,770	60,90,643
Less : Provision for Taxation		5,50,000	26,16,000
Profit After Tax		11,83,770	34,74,643
Add. Balance from Previous Year		12,46,431	10,87,405
		<u>24,30,201</u>	<u>45,62,048</u>
Less : Proposed dividend (Subject to Deduction of Tax at Source)		—	33,15,617
Balance Carried to Balance Sheet		<u>24,30,201</u>	<u>12,46,431</u>

NOTES forming part of Accounts

Accounting polices and Schedules 'A' to 'M' form an
Integral Part of the Accounts

Vide our report even date

for **RAMKISHORE JHAWAR & ASSOCIATES**

Chartered Accountants

RAM KISHORE JHAWAR

Proprietor

Place : Hyderabad

Date : 27.06.97

For & on behalf of the Board

R.K. Maheshwari

K.K. Maheshwari

M.P. Murthy

S.N. Kanchal

Pramila Maheshwari

P.J. Mehta

Place : Hyderabad

Date : 27.06.97

Chairman & Managing Director

Directors

Executive Director

CIL SECURITIES LIMITED**SCHEDULES FORMING PART OF THE BALANCE SHEET:**

	As At 31-03-1997 Rs.	As At 31-03-1996 Rs.
SCHEDULE - A - SHARE CAPITAL :		
AUTHORISED		
6000000 Equity Shares of Rs.10/- each (Previous year 6000000 Equity Shares of Rs.10/- each)	<u>6,00,00,000</u>	<u>6,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP :		
5000000 Equity Shares of Rs.10/- each (Previous year 5000000 Equity Shares of Rs.10/- each)	<u>5,00,00,000</u> <u>5,00,00,000</u>	<u>5,00,00,000</u> <u>5,00,00,000</u>
SCHEDULE - B - LOAN FUNDS :		
Secured Loans	Nil	Nil
Unsecured Loans		
From Directors	1,48,967	68,544
From Others	<u>3,75,000</u>	<u>83,000</u>
Total	<u>5,23,967</u>	<u>1,51,544</u>

SCHEDULE - C - FIXED ASSETS

Particulars	Gross Block			Depreciation				Net Block		
	As on 31-03-96 Rs.	Additions Rs.	Deletions Rs.	As on 31.03.97 Rs.	Upto 31.03.96 Rs.	For the Year Rs.	Deletions Rs.	Upto 31-03-97 Rs.	As on 31-03-97 Rs.	As on 31-03-96 Rs.
1. Office Building	7,25,201	22,29,283	—	29,54,484	82,403	73,413	—	1,55,816	27,98,668	6,42,798
2. Furniture & Fittings	4,14,447	15,61,587	—	19,76,034	98,097	1,87,564	—	2,85,661	16,90,373	3,16,349
3. Office Equipments	3,41,364	8,10,367	28,000	11,23,731	91,130	1,06,086	1,616	1,95,600	9,28,131	2,50,235
4. Computer & Data- Processing Equipments	16,24,388	7,62,754	—	23,87,142	4,69,351	6,17,245	—	10,86,596	13,00,546	11,55,037
5. Vehicles	5,40,961	2,35,717	—	7,76,678	1,91,237	1,40,161	—	3,31,398	4,45,280	3,49,724
Total	36,46,361	55,99,708	28,000	92,18,069	9,32,218	11,24,469	1,616	20,55,071	71,62,998	27,14,143
Capital Work in Progress									3,83,100	3,38,847
								Total	75,46,098	30,52,990
Corresponding Previous Year	23,23,448	13,22,913	—	36,46,361	3,55,389	5,76,829	—	9,32,218	27,14,143	19,68,059