

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DTY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		FTY	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SEE	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



**CIL securities Ltd**

Report  junction.com

**9th Annual Report  
1997 - 98**

**BOARD OF DIRECTORS :****Chairman & Managing Director**

Shri R.K.Maheshwari

**Wholetime Director**

Shri K.K.Maheshwari

**Directors**

Shri M.P.Murthy  
Smt. Pramila Maheshwari  
Shri S.M.Agarwal  
Shri Ramesh Bhuraria  
Shri V.B.Purnaiah  
Shri R.N.Joshi  
Shri S.N. Kanchal

**Auditors**

Ramkishore Jhawar & Associates,  
Chartered Accountants  
14-6-196, Nagar Khana,  
Begumbazar, Hyderabad.

**Solicitors**

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

**Bankers**

Canara Bank  
ANZ Grindlays Bank

**Registered Office**

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

**Corporate Office**

130-132, Room No. 20,  
II Floor,  
Great Western Building,  
Opp. Lions Gate, Fort,  
Mumbai - 400 023.

**CIL SECURITIES LIMITED****NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Members of CIL Securities Limited will be held on Saturday the 19th day of September, 1998 at Surana Udyog Auditorium, The Federation of A.P.Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad - 500 004 at 11.00 A.M. to transact with or without modifications, as may be permissible, the following business as :

**ORDINARY BUSINESS :**

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1998 and the Profit and Loss Account for the year ended as on that date, together with the Board of Directors and Auditors' Report thereon.
- 2) To appoint Director in place of Sri S.N.Kanchal who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint Director in place of Sri Ramesh Bhuraria who retires by rotation and being eligible, offers himself for reappointment.
- 4) 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 :**

- 5) **To consider, and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution :**

"RESOLVED THAT Sri V.B.Purnaiah, who was appointed as an Additional Director on 30th September, 1997 and who ceases to hold the 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 provisions of 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."

- 6) **To consider, and if thought fit, to pass with or without modifications the following resolution as Special Resolution:**

"RESOLVED THAT subject to the provisions of Section 198, Section 269 and other applicable provisions of the Companies Act, 1956, Sri K.K.Maheshwari be and is hereby appointed as a Wholtime Director of the Company with effect from 1st of April, 1998 for a period of five years on the terms and conditions as contained in an agreement and that he may be paid remuneration by way of salary, commission and perquisites in accordance with Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 268 of the Companies Act, 1956 and other

applicable provisions, as long as Sri K.K.Maheshwari is a Wholtime Director of the Company, he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the remuneration, perquisites and the terms and conditions of the said appointment subject to the conditions specified in Schedule XIII to the Companies Act, 1956, as amended from time to time and acceptance of Sri K.K.Maheshwari."

- 7) **To consider, and if thought fit, to pass with or without modifications the following as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 198 & 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company do hereby approve the revision in remuneration and amendment of the terms and conditions of the appointment of Sri R.K.Maheshwari, Chairman & Managing Director of the Company on such remuneration as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with effect from 1st April, 1998 for the balance period of his tenure as Chairman & Managing Director."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered to modify the terms and conditions of appointment of the Chairman & Managing Director so as to comply with such rules and regulations as may be in force from time to time."

Registered Office :

214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids,  
HYDERABAD - 500 001.  
DATE : JUNE 29, 1998

By Order of the Board

**For CIL SECURITIES LIMITED**

(R.K.MAHESHWARI)  
Managing Director

**NOTES :**

- 1) The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of business under item Nos. 5 to 7 set out above is annexed hereto.
- 2) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member. Proxy Form, in order to be effective, can be deposited on any day during business hours at Registered Office of the Company at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001, but not less than 48 hours before the commencement of the Meeting.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 1998 to 19th September, 1998 ( Both days inclusive ).

**CIL SECURITIES LIMITED**

- 4) 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 and replies will be provided only at the Meeting.
- 5) 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.
- 6) Duplicate attendance slips shall not be issued at the Annual General Meeting venue. However the same shall be issued at the Registered Office of the Company upto two days preceding the day of the Annual General Meeting.
- 7) Shareholders are requested to intimate the change of address, if any, by quoting the Folio Number.
- 8) Shareholders are requested to bring their copy of the Annual Report at the Meeting.

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

As required by Section 173 of the Companies Act, 1956, the Explanatory Statement sets out all material facts concerning the Special Business referred to in Item nos. 5 to 7 of the accompanying Notice dated 29th June, 1998.

**ITEM NO. 5**

Under the Provisions of Section 260 of the Companies Act, 1956, and Article 92 of the Articles of Association of the Company, the Board in its Meeting dated 30th September, 1997 has appointed Sri V.B.Purnaiah as an Additional Director of the Company. Sri V.B.Purnaiah holds the Office of Director upto this Annual General Meeting, but being eligible offer himself for reappointment 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 V.B.Purnaiah for the Office of Director.

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

**ITEM NO. 6**

As per the provisions of Section 198, 269 and other applicable provisions of the Companies Act, 1956, and as per the provisions of Article 125 of the Articles of Association of the Company, the Board in its Meeting held on 23rd March, 1998 has appointed Sri K.K.Maheshwari, Director of the Company as a Wholetime Director of the Company with effect from 1st April, 1998 for a period of five years on the following terms and conditions :

1. Salary @ Rs.15,000/- per month.

2. Perquisites : In addition to the salary, following perquisites be allowed to Sri K.K.Maheshwari subject to an amount equal to the annual salary. The perquisites are classified into 3 Categories "A", "B" & "C" as follows:-

**CATEGORY - A :**

This will comprise House Rent Allowance, Leave Travel Concession, Medical Reimbursement, Fees on Clubs and Personal Accident Insurance. These may be provided for as under :-

**1) Housing :**

- a) The expenditure incurred by the Company on hiring unfurnished accomodation subject to a ceiling of fifty percent of the salary.
- b) In case no accomodation is provided by the Company, he shall be entitled to House Rent Allowance Subject to the ceiling laid down in Housing (a) above.

- 2) **Medical and / or Hospitalisation Expenses** : Expenses incurred for the self and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

- 3) **Leave Travel Concession** :Leave Travel Concession for self and family, once in a year incurred subject to a ceiling of one month's salary.

- 4) **Club Fees** : Fees of Club subject to maximum of two Clubs. This will not include admission and life membership fee.

- 5) **Personal Accident Insurance** : Premium not to exceed Rs.4000/- per annum.

**CATEGORY - B :**

- 1) Contribution to Providend Fund, Super Annuation Fund, or Annuity Fund as and when applicable 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, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.
- 2) Encashment of leave at the end of the tenure will not included in the computation of ceiling on perquisites.

**CATEGORY - C :**

Provision of car for use on Company's business and telephone at residence 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 the appointee concerned.

In terms of Section 268 of the Companies Act, 1956 and other applicable provisions, if any, as long as Sri K.K.Maheshwari is a Whole-time Director of the Company, he shall not be liable to retire by rotation.

The Board of Directors of the Company is authorised to alter and vary the remuneration, perquisites and the terms and conditions of the said appointment subject to the

## CIL SECURITIES LIMITED

conditions specified in Schedule XIII to the Companies Act, 1956, as amended from time to time and acceptance of Sri K.K.Maheshwari.

An Abstract of the terms of appointment and Memorandum of Interest as required under the provisions of Section 302 of the Companies Act, 1956, has already been sent to the Members of the Company. Hence, the resolution as mentioned against Item No.6 of the accompanying Notice is proposed.

None of the Directors except Sri K.K.Maheshwari himself, Sri R.K.Maheshwari, Chairman & Managing Director and Smt Pramila Maheshwari, Director of the Company, may be considered to be concerned or interested in the said resolution.

This may be treated as an abstract of the terms of appointment and payment of remuneration and Memorandum of Interest of Sri K.K.Maheshwari as a Wholtime Director, pursuant to Section 302 of the Companies Act, 1956.

### ITEM NO. 7

Vide Extra Ordinary General Meeting held on 16th February, 1996 the Members have given their consent for appointment of Sri R.K.Maheshwari as Chairman & Managing Director of the Company on the terms and conditions as set out in the agreement.

In order to vary in compensation package it is proposed to authorise the Board of Directors of the Company to alter and vary the remuneration, perquisites and the terms and conditions of the said appointment subject to the conditions specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

Hence, the resolution as mentioned against Item No.7 of the accompanying Notice is proposed for the approval of the Members of the Company.

None of the Directors except Sri R.K.Maheshwari himself, Sri K.K.Maheshwari, Wholtime Director and Smt Pramila Maheshwari, Director of the Company, may be considered to be concerned or interested in the said resolution.

### INSPECTION OF DOCUMENTS

All material documents referred to in the Explanatory Statements and Memorandum & Articles of Association of the Company will be open for inspection by the members, at the Registered Office of the Company, on all working days during business hours upto the date of Annual General Meeting.

Registered Office : By Order of the Board  
214, Raghava Ratna Towers, For **CIL SECURITIES LIMITED**  
Chirag Ali Lane, Abids,  
HYDERABAD - 500 001. (R.K.MAHESHWARI)  
DATE : JUNE 29, 1998 Managing Director

### DIRECTORS' REPORT

To the Members of CIL Securities Limited,

Your Directors presents the Ninth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 1998.

### FINANCIAL RESULTS :

(Rs. in Lacs)

Particulars	Year Ended 31.03.1998	Year Ended 31.03.1997
Operating Income	170.07	159.69
Profit Before Depreciation & Tax	19.10	28.58
Depreciation	14.26	11.24
Provision for Tax	0.32	5.50
Profit After Tax	4.52	11.84
Balance of Profit & Loss A/c		
b/f from previous year	24.30	12.46
Profit available for appropriations	28.82	24.30
Surplus carried to Balance Sheet	28.82	24.30

During the year 1997-98 the Company recorded an aggregate income of Rs.170.07 Lacs as against the total operating income of 159.69 Lacs in the year 1996-97. Despite marginal increase in operating income the net profit declined to Rs.4.52 Lacs from 11.84 Lacs of previous year mainly due to heavy squeeze in the margins on broking operations, increased competition and continued depressed market.

### CURRENT OUTLOOK :

The depression in the Capital Market, both primary and secondary, continued this year also. Because of the political instability and adverse international economic scenario, the market could not uplift. There has been wide fluctuations in securities dealings resulting in higher risks and lower volumes. Consequently Primary market is also very inactive and practically no fresh issues came out during the period. Considering volatility in the market utmost precautions are being taken to minimise the risk.

The Company at present is operating counters at Hyderabad, Mumbai, Kanpur, Delhi and Visakhapatnam and in order to tap additional sources of income few more centres are under consideration. All round efforts are being made to improve the profitability of the Company and anticipate that the capital market would revive once the uncertainties are over.

### DIVERSIFICATION PLANS :

With the establishment of National Securities Depository Limited ( NSDL ), your Company has also become Depository Registrar for handling shares & securities in electronic form. With more and more Companies opting for de-materialisation of their scrips your Company visualises a good opportunity in this area.

**CIL SECURITIES LIMITED**

Your Company has installed necessary equipments for dematerialisation of the scrips. Trading of scrips in demat form are now getting momentum. Your Company has made beginning in this field by getting mandate from few reputed Companies. Aggressive initiatives have already been taken for obtaining Registrarship from leading Companies.

**DIVIDENDS :**

In view of decline in the net profits during the year under review and to strengthen the financial position of the Company, your Directors do not recommend any dividend for the year.

**DIRECTORS :**

In accordance with the provisions of Section 255 of the Companies Act, 1956 and Article 100 of the Articles of Association of the Company, Sri S.N.Kanchal and Sri Ramesh Bhuraria retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Sri V.B.Purnaiah ceases to be Director of the Company in the forthcoming Annual General Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956, from a Member of the Company proposing his candidature for appointment as Director in the forthcoming Annual General Meeting.

The Directors of the Company in their Meeting held on 23rd March, 1998 appointed Sri K.K.Maheshwari as a Wholtime Director of the Company with effect from 1st April, 1998 for a period of five years subject to conditions specified in Part II of Schedule XIII to the Companies Act, 1956. The aforesaid appointment is to be approved by the Members at the ensuing Annual General Meeting.

**SUBSIDIARY COMPANIES :**

The Annual Reports together with the Audited Accounts of M/s CIL Financial Services Limited and M/s CIL Industries Limited, for the year ended 31st March, 1998 are annexed hereto.

A Statement as required under Section 212(3) of the Companies Act, 1956 in respect of 'CIL Financial Services Limited' and 'CIL Industries Limited', the wholly owned subsidiaries of your Company are annexed hereto.

**AUDITORS :**

M/s Ramkishore Jhavar & Associates, Auditors of the Company hold Office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956. Accordingly, the said Auditors can be appointed as Auditors of the Company at the ensuing Annual General Meeting.

The Notes to the Accounts referred to in the Auditors Report are self explanatory and, therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

**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 Employees) Rules, 1975 none of the employees of the Company have been paid remuneration exceeding Rs.3.00 Lacs per annum or part thereof.

**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. During the year under review, the Company does not have any Foreign Exchange earnings or outgo.

**PROJECTIONS Vs. PERFORMANCE :**

As per Clause 43 of the Listing Agreement entered into with the Stock Exchanges a comparison of the projections furnished in the prospectus dated 24th March, 1995 in connection with the Public issue of equity shares for Rs.3.00 Crores versus the performance for the current period are as under :

(Rs. in Lacs)		
Particulars	Projections for 1997-98	Performance for 1997-98
Total Income	381.00	170.07
Profit After Tax	178.93	4.52

The Company could not achieve the projected targets mainly due to continued recession in both Primary and Secondary Markets and heavy squeeze in the margins on broking operations.

**ACKNOWLEDGEMENTS :**

Your Directors place on record their 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

PLACE : HYDERABAD  
DATE : JUNE 29, 1998

(R.K.MAHESHWARI)  
Managing Director



**CIL SECURITIES LIMITED****AUDIT REPORT**

To,  
The Members of  
**CIL Securities Limited,**

We have audited the attached Balance Sheet of M/s CIL Securities Limited as at 31st March, 1998 and Profit and Loss Account for the year ended as on 31st March, 1998 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, 1998.
  - 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 : JUNE 29, 1998

**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 the 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 given advances, 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, the terms and conditions of which prima facie are not prejudicial to the interest of the Company.
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 are 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 informations and explanations given to us, the Provisions of the Employees State Insurance Act and the Provident Fund Act are not applicable to this Company.
10. According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, are outstanding as on 31st March, 1998 for a period more than six months from the date they become payable.
11. 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.
12. The Company has maintained adequate records to show full particulars of the transactions and contracts entered into in respect of dealings and trading in shares, securities and other investments and the same are held by the Company in its own name excepting those which are in the process of transfer.
13. Item No. 4A (iii) (iv) (v) (vi) (xi) (xii) (xiv) (xvi) (xx) and 4D (ii) (iii) are not applicable.

**For RAMKISHORE JHAWAR & ASSOCIATES**  
CHARTERED ACCOUNTANTS

PLACE : HYDERABAD  
DATE : JUNE 29, 1998

**RAMKISHORE JHAWAR**  
PROPRIETOR

**CIL SECURITIES LIMITED****BALANCE SHEET AS AT 31ST MARCH 1998**

Particulars	Schedule	As at 31.3.98 Rs.	As At.31.3.97 Rs.
<b>SOURCES OF FUNDS</b>			
Shareholders Funds :			
Share Capital	A	50000000	50000000
Reserves & Surplus		2882381	2430201
		<b>52882381</b>	<b>52430201</b>
 Loan Funds :	 B		
Secured Loans		0	0
Unsecured Loans		0	523967
 Total		<b>52882381</b>	<b>52954168</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	C		
Gross Block		10727091	9218069
Less: Depreciation		3413656	2055071
 Net Block		<b>7313435</b>	<b>7162998</b>
Add: Capital work in progress		383100	383100
		<b>7696535</b>	<b>7546098</b>
Investments	D	17335866	15788225
Current Assets Loans & Advances	E	35950149	43023119
Less : Current Liabilities & Provisions	F	9911398	15473394
 Net Current Assets		<b>26038751</b>	<b>27549725</b>
Miscellaneous Expenses	G	1811229	2070120
 Total		<b>52882381</b>	<b>52954168</b>
NOTES forming part of the Accounts	L		
Accounting Policies and Schedules 'A' to 'L' Form an integral part of the Accounts.			

Vide our report of even date

For &amp; on behalf of the Board

For **RAMKISHORE JHAWAR & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**RAMKISHORE JHAWAR**  
PROPRIETOR

R.K. Maheshwari	Chairman & Managing Director
K.K. Maheshwari	Wholetime Director
M.P. Murthy	Director
S.N.Kanchal	Director
V.B. Purnaiah	Director
R.N. Joshi	Director

PLACE : HYDERABAD  
DATE : JUNE 29, 1998