

# CIL Securities Limited



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11th  
ANNUAL REPORT  
1999 - 2000

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**CIL SECURITIES LIMITED**

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**BOARD OF DIRECTORS**

Shri R.K.Maheshwari, Chairman & Managing Director  
Shri K.K.Maheshwari, Joint Managing Director  
Shri M.P.Murthy  
Smt.Pramila Maheshwari  
Shri S.M.Agarwal  
Shri V.B.Purnaiah  
Shri R.N.Joshi  
Shri S.N.Kanchal

**AUDITORS**

M/s Ramkishore Jhawar and Associates,  
Chartered Accountants  
14-6-196, Nagar Khana,  
Begum Bazar, Hyderabad.

**SOLICITOR**

Shri K. Balakrishna

**PRINCIPAL BANKER**

Canara Bank

**REGISTERED OFFICE**

214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids,  
Hyderabad - 500 001.  
E-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)  
Visit us at: [www.cilsecurities.com](http://www.cilsecurities.com)

**CORPORATE OFFICE**

130-132, Room No.20,  
II Floor, Great Western Building,  
Opp. Lions Gate, Apollo Street,  
Fort, Mumbai - 400 023.  
E-mail: [cils@bom5.vsnl.net.in](mailto:cils@bom5.vsnl.net.in)

**CIL SECURITIES LIMITED****Notice**

Notice is hereby given that the Eleventh Annual General Meeting of the Members of CIL Securities Limited will be held on Saturday the 23rd day of September, 2000 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 2000 and the Profit and Loss Account for the year ended as on that date, together with the Board of Directors and Auditor's Report thereon;
2. To declare dividend on the Equity Shares for the year ended 31st March, 2000.
3. To appoint Director in place of Sri M.P. Murthy who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Director in place of Sri V.B. Purnaiah 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, as an Special Resolution the followig :

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309,310 and other applicable provisions, if any, of the Companies Act, 1956, including any Statutory modifications or re-enactments thereof, and all other statutory provisions, if any, to the modifications to the remuneration payable to Sri R.K.Maheshwari, Chairman & Managing Director of the Company with effect from 1st April, 2000 until the expiry of his term

of appointment i.e. 31st March, 2001 as contained in the Supplemental Agreement to be entered into between the company and Sri R.K.Maheshwari, a draft whereof is placed before the meeting and which for the purpose of identification is subscribed by the Chairman hereof, which Supplemental Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and Sri R.K.Maheshwari, provided however that the remuneration payable to Sri R.K.Maheshwari shall not exceed the maximum limits laid under Schedule XIII to the Companies Act, 1956, for payment of managerial remuneration and in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including any Statutory modifications or re-enactments thereof, and all other statutory provisions, if any, to the modifications to the remuneration payable to Sri Krishna Kumar Maheshwari, Joint Managing Director of the Company with effect from 1st April, 2000 until the expiry of his term of appointment i.e. 31st March, 2003 as contained in the Supplemental Agreement to be entered into between the company and Sri Krishna Kumar Maheshwari, a draft whereof is placed before the meeting and which for the purpose of identification is subscribed by the Chairman hereof, which Supplemental Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and Sri Krishna Kumar Maheshwari, provided however that the remuneration payable to Sri Krishna Kumar Maheshwari shall not exceed the maximum limits laid under Schedule XIII to th Companies Act,

## CIL SECURITIES LIMITED

1956, for payment of managerial remuneration and in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

8. To consider and, if thought fit, to pass with or without modifications, as an Special Resolution the following:

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including any Statutory modifications or re-enactments thereof, and all other statutory provisions, if any, to the appointment of Sri R.K.Maheshwari, as Chairman & Managing Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 1st April, 2001 to 31st March, 2006 upon the terms, conditions and stipulations contained in an Agreement to be entered into between the company and Sri R.K.Maheshwari, a draft whereof is placed before the meeting and which for the purpose of identification is subscribed by the Chairman hereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and Sri R.K.Maheshwari, provided however that the remuneration payable to Sri R.K.Maheshwari shall not exceed the maximum limits laid under Schedule XIII to the Companies Act, 1956, for payment of managerial remuneration and in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

9. To consider and, if thought fit, to pass with or without modifications, as an Special Resolution the following:

"RESOLVED THAT the Equity Shares of the Company be delisted from Madras Stock Exchange Limited in accordance with the relevant laws, rules, regulations and guidelines (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary for compliance with such conditions and modifications as may be necessary for this purpose.

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in regard to delisting of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to the Managing Director or the Joint Managing Director or any other person whom the Managing Director / Joint Managing Director may consider suitable to do the various acts, deeds and things required to be done in this behalf."

## NOTES:

1. 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 working 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 13th day of September, 2000 to Saturday the 23rd day of September, 2000 (Both days inclusive).

## CIL SECURITIES LIMITED

3. The Explanatory Statement pursuant to Section -173 of the Companies Act, 1956, in respect of business under items 6,7 & 8 is annexed.
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. Payment of the dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members on 23rd September, 2000.
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.

Registered Office : By Order of the Board of Directors  
214, Raghava Ratna Towers, for CIL SECURITIES LIMITED  
Chirag Ali Lane, Abids,  
Hyderabad - 500 001.

Place : Hyderabad R.K.Maheshwari  
Date : June 17, 2000 Managing Director

## EXPLANATORY STATEMENT

Pursuant of Section 173(2) of the Companies Act, 1956

## Item No.6 &amp; 7

1. The terms of appointment of Sri R.K.Maheshwari, Chairman & Managing Director, and Sri Krishna Kumar Maheshwari, Wholetime Director, as approved by the members at the Annual General Meeting held on 19th September, 1998 provide for the payment of a maximum salary of Rs.20,000 per month and Rs.15,000 per month respectively.
2. At the Board Meeting held on 17th June, 2000, the Board of Directors increased Sri R.K.Maheshwari's salary to Rs.50,000/- per month

effective from April 1, 2000 and to provide him with Commission on the profits earned by the company until the expiry of his term of appointment on 31st March, 2001. The Board of Directors has redesignated Sri Krishna Kumar Maheshwari, Wholetime Director, as the Joint Managing Director and increased his salary to Rs. 40,000/- per month effective from April 1, 2000 and to provide him with Commission on the profits earned by the company until the expiry of his term of appointment on 31st March, 2003.

3. The material terms of appointment and remuneration payable to Sri R.K.Maheshwari and Sri Krishna Kumar Maheshwari as contained in the Supplemental Agreement to be entered into with them upon receipt of approval of the members are as follows:

1. Period: The period for which the revised remuneration will be payable is:

Sri R.K.Maheshwari : 1st April, 2000 to 31st March, 2001.

Sri. Krishna Kumar Maheshwari : 1st April, 2000 to 31st March, 2003

2. Remuneration:

Sri R.K.Maheshwari and Sri Krishna Kumar Maheshwari shall be entitled to the following emoluments, benefits, perquisites during the period of their employment subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII to the Companies Act, 1956:

1. Salary: Sri R.K.Maheshwari Rs. 50000/- per month or such higher amount as may be approved by the Board from time to time.

Sri Krishna Kumar Maheshwari Rs.40000/- per month or such higher amount as may be approved by the Board from time to time.

2. Commission: Commission will be allowed to Sri R.K.Maheshwari and Sri Krishna Kumar Maheshwari, in addition to salary and perquisites, the amount of which, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Sections 198,

## CIL SECURITIES LIMITED

309 and Schedule XIII to the Companies Act, 1956. The amount of Commission to each of Sri R.K.Maheshwari and Sri Krishna Kumar Maheshwari for each financial year or part thereof will be decided by the Board of Directors from time to time in its absolute discretion, but shall not exceed an amount equal to 5% of the Net Profits of the Company computed in accordance with the laws, policies, rules, regulations or guidelines in force.

3. Perquisites: Perquisites will be allowed in addition to salary and commission restricted to an amount equal to the annual salary.

All other terms and conditions of the appointment of Sri R.K.Maheshwari and Sri Krishna Kumar Maheshwari, as approved by the Shareholders, will remain unchanged.

#### Item No. 8

The Board in its meeting held on 17th June, 2000 appointed Sri R.K.Maheshwari as Chairman & Managing Director of the Company with effect from 1st April, 2001 to 31st March, 2006. The material terms of the appointment and remuneration payable to Sri R.K.Maheshwari as contained in the agreement to be entered into with him upon receipt of approval of the members are as follows:

1. Period: 1st April, 2001 to 31st March, 2006.

2. Nature of Duties:

Sri R.K.Maheshwari, Chairman & Managing Director, shall devote the sufficient time and attention to the business of the company. He shall have control of and full executive responsibility for the general conduct and management of the business and affairs of the company. He shall exercise all such powers as may be granted and entrusted to or required by him for proper discharge of his duties.

3. Remuneration:

Sri R.K.Maheshwari shall be entitled to the following emoluments, benefits, perquisites during the period of their employment subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII to the Companies Act, 1956:

1. Salary: Sri. R.K.Maheshwari Rs.50000/- per month or such higher amount as may be approved by the Board from time to time.
2. Commission: Commission will be allowed to Sri R.K.Maheshwari in addition to salary and perquisites, the amount of which, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Sections 198, 309 and Schedule XIII to the Companies Act, 1956. The amount of Commission for each financial year or part thereof will be decided by the Board of Directors from time to time in its absolute discretion, but shall not exceed an amount equal to 5% of the Net Profits of the Company computed in accordance with the laws, policies, rules, regulations or guidelines in force. Commission may be payable pro-rata on a monthly basis at the discretion of the Board of Director.
3. Perquisites: Perquisites will be allowed in addition to salary and commission restricted to an amount equal to the annual salary.

Unless the context otherwise requires, the perquisites are classified into three categories-Categories A,B and 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: The Company shall provide rent-free unfurnished residential accommodation to the Director or House Rent Allowance 50% of the salary in lieu thereof.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules, 1962.

- 2) Medical and / or Hospitalization 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.

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- 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 provident 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 be 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.

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

Sri R.K.Maheshwari, Sri Krishna Kumar Maheshwari and Smt Pramila Maheshwari are concerned or interested in the resolutions mentioned in Item No.6,7 & 8 above. None of the Directors are interest in the aforementioned resolutions.

**Item No. 9**

Presently the equity shares of the Company are listed on the Stock Exchanges at Mumbai, Hyderabad &

Madras. Consequent to the rapid changes in the capital market in relation to the manner of dealing in shares/ securities of companies, the volume of trading in Company's Equity Shares on the Madras Stock Exchange has reduced considerably which does not justify payment of considerable amount by way of listing fees and other expenses which the Company is incurring. The Board of Directors of the Company at their Meeting held on 17th June, 2000 have therefore decided to get the shares of the Company delisted from the above mentioned Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As per the Listing Agreement entered into by the Company with the Stock Exchanges, your approval for the proposal is sought by way of a Special Resolution for delisting the shares of the Company from the said Stock Exchange.

None of the Directors is concerned or interested in the resolution mentioned in Item No. 9 above.

In compliance with the applicable provisions of the Companies Act, 1956, Special Resolutions in terms as set out in items 6,7,8 & 9 of the accompanying Notice are now being placed before the members in the Annual General Meeting for their approval.

This Explanatory Statement is and should be treated as an abstract of the respective draft Supplemental Agreements /Agreements to be entered into between the Company and M/s. Sri R.K.Maheshwari and Sri Krishna Kumar Maheshwari pursuant to Section 302 of the Companies Act, 1956.

All material documents referred to in the Notice and Explanatory Statement above are open for inspection by the Members on all working days between 3p.m. to 5p.m. at the Registered Office of the Company till the conclusion of the Meeting.

Registered Office: By Order of the Board of Directors  
214,Raghava Ratna Towers, for CIL SECURITIES LIMITED  
Chirag Ali Lane, Abids,  
Hyderabad- 500 001.

Place : Hyderabad  
Date : June 17, 2000

R.K.Maheshwari  
Managing Director



## CIL SECURITIES LIMITED

## DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting the Eleventh Annual Report together with Audited Accounts for the financial year ended 31st March, 2000.

## 1. Financial Results

Particulars	(Rs.in Lacs)	
	Year Ended 31-03-2000	Year Ended 31-03-1999
Total Revenues	578.33	197.04
Profit before Interest, Depreciation & Tax (PBDIT)	232.55	30.45
Profit before Depreciation and tax (PBDT)	228.32	30.37
Less : Depreciation	17.39	14.83
Profit before Tax (PBT)	210.93	15.54
Less : Provision for Tax	58.33	2.42
Profit after Tax (PAT)	152.60	13.12
Add : Balance brought forward from last year	41.94	28.82
Profit available for Appropriation	194.54	41.94
Appropriations :		
Recommended Equity Dividend	50.00	---
Dividend tax	11.00	---
Transferred to General Reserve	75.00	---
Balance Carried Forward	58.54	41.94
Total Appropriations	194.54	41.94

## 2. Result of Operations

The final year of the last millenium was a satisfying one for your company. Your Company has posted good results. While the revenues grew by 193% corresponding from the previous year, the profit before tax has also increased substantially. Profit available for appropriation is Rs. 194.54 lacs corresponding to previous year of Rs. 41.94 lacs.

## 3. Current Outlook

With a stable Government at the Centre and a significant pick up in the economic activity the sluggishness in the Capital Market which was witnessed during the previous year had changed for the better over the past 12-15 months.

Also, the forecast for the monsoon being likely to be normal the Agricultural production is expected to increase resulting in creating higher demand for consumable items. The GDP is expected to cross 7% for the current financial year in comparison of 5.9% for the preceding year resulting in better times for most commodity sector.

Under the circumstances the Capital Market is expected to remain buoyant. With the economy of most developing countries generally improving, it promises to result in sustaining the Capital Market buoyancy in the near term.

While the secondary market showing better sign of recovery, the primary market is also witnessing improved activity. The boom in the technology, media & telecommunication stocks has resulted in many new opportunities for start-up entrepreneurs, thus ensuring better times. Your Company has scaled itself well to reap advantage of the opportunities through its established Merchant Banking Division. Apart from several mandates to manage IPOs, the Registrar & Transfer (R&T) Division of your Company is also poised to garner a large slice of the business.

The Company became a Depository Participant on the Central Depository and with more scrips likely to be Dematerialised, the division is also expected to contribute significantly to the Company's revenues.

## 4. Diversification

Your Company feels it is prudent to diversify into related areas of operations. In fact, the Company has a Five Year Plan so as to ensure continuous growth by expanding, diversifying and strengthening of the existing operations.

The organisation is being streamlined with a special



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thrust on developing Human Resource Talent. Your Directors are quite confident that in the years to come the Company will be able to sustain its good performance and thrive for better results in the future.

During the current year the Company has established two more trading stations at Jaipur and Chennai and few more trading stations are being contemplated in the near future. The company is further planning to become a Depository Participant of NSDL.

**5. Dividend**

Your Directors are pleased to recommend a Dividend of Rs. 1/- Per Equity Share (Net of Tax) aggregating to Rs. 50.00 Lacs on 50,00,000 Equity Shares of Rs. 10/- each.

**6. 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 M.P. Murthy and Sri V.B. Purnaiah retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

**7. 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, 2000 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", subsidiaries of your Company are annexed hereto.

**8. Auditors**

M/s. Ramkishore Jhawar & 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

reappointed as Statutory 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.

**9. Year 2000 (Y2K) Compliance**

Your Company has achieved a smooth transition into the new millenium without any claim arising from Y2K related activities. This has been achieved through sustained internal controls imparted by the company.

**10. Listing Arrangements**

Company's Securities are listed with Madras Stock Exchange, Mumbai Stock Exchange and Hyderabad Stock Exchange. Annual Listing Fee to the Stock Exchanges has been paid till date.

**11. Capital Market Developments**

Your Company has voluntarily opted for conversion of its Equity Shares in dematerialised form with effect from November, 1999. Presently, nearly 75% of the paid-up equity capital is held by the shareholders in dematerialised form. Furthermore as per SEBI guidelines, shares of your Company be traded in compulsory demat form with effect from July 24, 2000. Therefore members are advised to take note of it.

**12. Public Deposits**

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

**13. 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, as amended, none of the employees of the Company have been paid remuneration exceeding Rs. 6.00 lacs per annum or part thereof.

## CIL SECURITIES LIMITED

**14. 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.

**15. Projections vs. Performance**

As per Clause 43 of the Listing Agreement entered into with the Stock Exchange 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 1999-2000	Performance for 1999-2000
Total Income	517.00	<b>578.33</b>
Profit After Tax	245.05	<b>152.60</b>
Dividend (%)	25%	<b>10%</b>
Earning Per Share (In Rs.)	4.90	<b>3.05</b>

The Operating Income achieved is higher than the Projected Income. However, Profit after tax is lower on account of competitive Brokerage.

**16. Acknowledgements**

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the clients, bankers and shareholders and look forward to their continued support. Your directors also thank the employees at all levels for the services rendered by them.

For &amp; on behalf of the Board

Place : Hyderabad  
Date : June 17, 2000

R.K.Maheshwari  
Managing Director

**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, 2000 and Profit and Loss Account for the year ended as on that date and Report that :

- 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.
- 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.
- The Balance Sheet dealt with by this report is in agreement with the books of account.
- 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.
- 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 -
  - in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2000.
  - 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

Place : Hyderabad  
Date : June 17, 2000

RAMKISHORE JHAWAR  
Proprietor