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5th
Annual
Report
1996-97



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CONSOLIDATED SECURITIES LTD.

Regd. Office : X-13 (LGF), Hauz Khas, New Dehi-110 016

5th Annual Report
1996-97

BOARD OF DIRECTORS

Mr. T.S. Bhatia - Managing Director
Mrs. Harinder Kaur Bhatia
Mr. Prem Lall Gupta
Mr. Mahipal Gupta

AUDITORS

M/s Jain Raj Associates
3/4-A, Asaf Ali Road,
New Delhi-110 002

BANKERS

Punjab National Bank
Canara Bank

CONSOLIDATED SECURITIES LIMITED**CONSOLIDATED SECURITIES LIMITED**

Regd. Office : X-13 (LGF), HAUZ KHAS, NEW DELHI 110016

NOTICE

Notice is hereby given that the Fifth Annual General Meeting will be held on Tuesday, the 30th September, 1997 at Orchard Farms, Mehrauli-Gurgaon Road, Mehrauli, New Delhi 110 017 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the same period and the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri.Prem Lall Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri.Mahipal Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s.Jain Raj Associates, Chartered Accountants as the Auditors of the Company and to fix their remuneration.

By Order of the Board
For CONSOLIDATED SECURITIES LTD.

Place : New Delhi
Date : 25 August, 1997

T.S.BHATIA
(MANAGING DIRECTOR)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY AND THE PROXY TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books will remain closed from 25th September, 1997 to 30th September, 1997 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.
3. The Members are requested to notify the change of address, if any, immediately to the Company quoting their folio numbers.
4. The Members are requested to bring their copy of Annual Report with them to the Meeting.

By Order of the Board
For CONSOLIDATED SECURITIES LTD.

Place : New Delhi
Date : 25 August, 1997

T.S.BHATIA
(MANAGING DIRECTOR)

CONSOLIDATED SECURITIES LIMITED**DIRECTORS' REPORT**

Dear Shareholders.

Your Directors have pleasure in presenting the 5th Annual Report and Audited Statement of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

(Rs. in lacs)

	1996-97	1995-96
Total Income	33.98	73.92
Profit/(Loss) before depreciation	(58.08)	56.04
Less : Depreciation	20.43	16.69
Preliminary Expenses written off	0.76	0.76
Profit/(Loss) before Tax (PBT)	(79.27)	38.59
Provision for Taxation	0.30	1.43
Profit/(Loss) after Tax (PAT)	(79.57)	37.16
Profit brought forward from last year	58.30	21.14
Amount available for appropriation	(21.27)	58.30

APPROPRIATIONS

Transfer to General

Reserve	—	—
Proposed Dividend	—	—
Balance carried to	—	—
Balance Sheet	(21.27)	58.30
	<u>(21.27)</u>	<u>58.30</u>

Dividend

In view of the Losses incurred during the year by the Company, your Directors do not recommend any dividend for the year 1996-97.

Directors

Shri.Prem Lall Gupta and Shri.Mahipal Gupta, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for the reappointment.

Shri.Y.K.Sharma and Shri.Om Prakash Parasrampurua resigned from the Board w.e.f. 22.4.1997 and 19.8.1997 respectively. The Board placed on records the appreciation for the valuable services and guidance provided by them as Directors of the Company.

CONSOLIDATED SECURITIES LIMITED**Performance**

The Indian economy floundered during the fiscal year 1996-97. Industrial growth fell sharply. This was reflected in corporate results, which slumped sharply to new low. The year saw steep fall in investment, low demand, a subdued capital market and general economic sluggishness leading to the higher costs and low margins. Accordingly, the financial sector too recorded negative growth. Your company has also not been an exception to this and could not do well during the year under review.

During the year, on account of continuing depression in the Primary Market the company could not achieve much in the field of Merchant Banking and other non-fund based activities.

A general lack of business and a much lower fee based income reduced the total income of company from Rs.73.92 lacs to Rs.33.98 lacs. Due to prevailing liquidity crunch the company also faced problems in recovering the short term loans and lease rentals from its clients.

Your company incurred losses mainly on account of short recovery of short term loans. Out of total doubtful loans of approx. Rs. 1.50 Crores, the company could recover Rs.1.28 Crore and the balance Rs.22.00 lacs had to be written off. Secondly, a provision of loss of Rs.22.00 Lacs had to be made on account of fall in market value of the investments made in shares by the Company.

Future Prospects

The economic indicators for the financial year 1997-98 are extremely good. The Budget of 1997 and the Central Government policies have boosted business confidence reflecting in the forecast indicating a surge in industrial growth made by the apex chambers of commerce.

Keeping in view of the expected overall growth in industrial and agricultural sectors, the demand for capital good as well as for consumer and other goods is likely to pick up at least in the 2nd half of the current year. Therefore, the company has envisaged to concentrate more on leasing and hire purchase activities which will help in increasing overall income of the company. The company has also planned to diversify into vehicle finance activities which are more safe and lucrative.

On account of expected economic turnaround, your Directors expect for better prospects for the current financial year.

Particulars of Employees

No employee of the Company is drawing salary beyond the limit as mentioned in Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

Clause regarding information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 is not applicable to your Company since there is no import of technology, no activity in foreign exchange during the year under report.

Fixed Deposits

The Company has not accepted any deposits from the public during the year under report under Section 58A of the Companies Act, 1956.

Projection Vs Performance

The performance of the Company vis-a-vis the projections made in the Prospectus for the year 1996-97

(Rupees in lacs)

Particulars	Projections	Performance
Income from operation	336.79	33.98
Profit/(Loss) after tax & Dep.	143.18	(79.57)

CONSOLIDATED SECURITIES LIMITED

Variation between projected and actual figures is on account of:

1. Defaults by borrowers the company had to write off a major portion of short term loans as bad debts.
2. Continued depression in primary market the Merchant Banking and fee based activities could not contribute expected incomes.

Auditors

M/s.Jain Raj Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has obtained from them a certificate to the effect that their re-appointment, if made, will be within the limits under Section 224(1-B) of the Companies Act, 1956.

Acknowledgement

Your Directors take this opportunity to express their deep gratitude and appreciation for the co-operation and necessary support given by the Banks and Govt.Deptts.

Your Directors wish to place on record their appreciation for the hard work, dedication and commitment of the Staff at all levels.

FOR AND ON BEHALF OF THE BOARD

PREM LALL GUPTA
CHAIRMAN

Place : New Delhi

Date : 25 August, 1997

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