



7th

Annual Report

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1998-1999

**CONSOLIDATED SECURITIES
LIMITED**



CONSOLIDATED SECURITIES LIMITED

Regd. Office: X-13 (LGF), Hauz Khas, New Delhi 110016

7th Annual Report 1998-99

BOARD OF DIRECTORS

Mr. T.S. Bhatia - Managing Director

Mr. Mahipal Gupta

Mr. Ramesh Kumar Murolia

Mr. Chander Bhan Garg

Mrs. Harinder Kaur

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 Seventh Annual General Meeting of the Company will be held on Thursday, the 30th September, 1999 at the Regd. Office of the Company at X-13 (LGF), X-13 Hauz Khas, New Delhi 110016 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, 1999 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 Mrs. Harinder Kaur, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint M/s. Jain Raj Associates, Chartered Accountants as the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

1. To appoint Director in place of Mr. Ramesh Kumar Murolia who was appointed as Additional Director on 20.7.1999 and holds office till conclusion of this Annual General Meeting and being eligible offer himself for reappointment.
2. To appoint Director in place of Mr. Chander Bhan Garg who was appointed as Additional Director on 20.7.1999 and holds office till conclusion of this Annual General Meeting and being eligible offer himself for reappointment.

By Order of the Board
For CONSOLIDATED SECURITIES LTD.

Place : New Delhi
Date : 25th August, 1999

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 Member and the Share Transfer Books will remain closed from 25th September, 1999 to 30th September, 1999 (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.

CONSOLIDATED SECURITIES LIMITED

EXPLANATORY STATEMENT AS PER SECTION 173 OF THE COMPANIES ACT,1956

1. Mr. Ramesh Kumar Murolia was appointed as Additional Director on the Board of the Company on 20. 7. 1999. Your directors recommend to appoint him as Director of the Company.
2. Mr. Chander Bhan Garg was appointed as Additional Director on the Board of the Company on 20. 7. 1999. Your directors recommend to appoint him as Director of the Company.

By Order of the Board
For CONSOLIDATED SECURITIES LTD.

Place : New Delhi
Date : 25th August, 1999

T. S. BHATIA
(MANAGING DIRECTOR)



CONSOLIDATED SECURITIES LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 6th Annual Report and Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS (Rs. in lacs)

| | 1998-99 | 1997-98 |
|---|----------|----------|
| Total Income | 11. 68 | 13. 69 |
| Profit/(Loss) before depreciation | (29. 51) | (6. 76) |
| Less : Depreciation | 14. 46 | 14. 50 |
| Preliminary Expenses written off | 0. 76 | 0. 76 |
| Profit/(Loss) before Tax (PBT) | (44. 73) | (22. 02) |
| Provision for Taxation | — | — |
| Profit/(Loss) after Tax (PAT) | (44. 73) | (22. 02) |
| Profit brought forward from last year (43. 28) (21. 26) | | |
| Amount available for appropriation | (88. 01) | (43. 28) |

APPROPRIATIONS

| | | |
|----------------------------------|-----------------|-----------------|
| Transfer to General Reserve | — | — |
| Proposed Dividend | — | — |
| Balance carried to Balance Sheet | (88. 01) | (43. 28) |
| | <u>(88. 01)</u> | <u>(43. 28)</u> |

Dividend

In view of the losses incurred during the year by the Company, your Directors do not recommend any dividend for the year 1998-99.

Directors

Mrs. Harinder Kaur, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for the reappointment.

Mr. Ramesh Kumar Murolia who was appointed as Additional Director of the Company on 20. 7. 99 is liable to retire at the ensuing Annual General Meeting and being eligible offer himself for the reappointment.

Mr. Chander Bhan Garg who was appointed as Additional Director of the Company on 20. 7. 99 is liable to retire at the ensuing Annual General Meeting and being eligible offer himself for the reappointment.

CONSOLIDATED SECURITIES LIMITED**Performance**

The Indian economy further floundered during the fiscal year 1998-99. 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.

Future Prospects

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

As on 31. 3. 1999 company does not have any Public Deposit accepted under Section 58A of the Companies Act, 1956.

AUDITORS

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

Auditors' Observation

The observation of the Auditors' are self explanatory as read with relevant note of Notes on Accounts, Schedule No. 11

Acknowledgement

Your Directors take this opportunity to express 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.

By Order of the Board
For CONSOLIDATED SECURITIES LTD.

Place : New Delhi
Date : 25th August, 1999

T. S. BHATIA
(MANAGING DIRECTOR)

CONSOLIDATED SECURITIES LIMITED

AUDITORS' REPORT
To the Shareholders

We have audited the attached Balance Sheet of Consolidated Securities Limited as at 31st March, 1999 and also the profit and loss account of the company for the year ended on that date annexed thereto 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 our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
- c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account ;
- d) The balance sheet and profit and loss account comply with the mandatory accounting standards as prescribed under sub-section (3C) of Section 211 of the Companies Act, 1956 subject to Note No. 8 of Notes on Accounts regarding non observance of the requirements of Accounting Standard - 13 on Valuation of Investments.
- e) Refer note No. 6 regarding Sundry Debtors, Loans and Advances which are subject to confirmation, we are unable to comment on the existence of any doubtful debts, if any.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view subject to Note No. 5 regarding non provision of lease rental of Rs. 2.36 lacs and Note No. 7(b) regarding non provision of interest of Rs. 6.7 lacs on short term loans and advances, resulting in understatement of the income by these amounts and Note No. 11 regarding non-valuation of some of the current investments on the basis of cost or market price whichever is less.
 - (i) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 1999; and
 - (ii) in the case of the profit and loss account, of the losses of the company for the year ended on that date.
- g) As required by the manufacturing and other Companies (Auditors' Report) order 1988, issued by the Company Law Board in terms of section 227 (4A) of the companies Act, 1956, we further report to the extent to which matters specified therein are applicable to the company, that :
 1. The company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets. In respect of leased out assets confirmation have been obtained from the Lessees. Other Fixed Assets of the company were physically verified by the management at reasonable intervals and no discrepancy was found on such verification. However, in case of Shares Investment in some companies in which shares have been allotted but the company has not received the share certificates, the same could not be verified physically. None of the fixed assets have been revalued during the year.
 2. (a) The Company has not taken any loans from parties listed in the register maintained under Section 301 and 370 (1-B) of the Companies Act, 1956.
 - (b) The rate of interest and other terms and conditions of the loans and advances given to parties covered under Section 301 and Section 370 (1-B) of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.
 - (c) In respect of other unsecured loans given to the parties which are not regular in repayment of principal and interest thereon as stipulated or as rescheduled, the same are considered good for recovery in view of the Management inspite of non provision of interest on the same loans.