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CORPORATE INFORMATION

BOARD OF DIRECTOR

Kapil Aggarwal	Chairman
Rohit Gupta	Managing Director
Anil Kumar Chaddha	Director
Ashok Kumar Kathuria	Director
Anirudha Kumar	Director

REGISTERED OFFICE

8/19, 3rd Floor, W.E.A.
Pusa Lane, Karol Bagh
New Delhi-110005
Tel: 011-42503441-444
Fax: 011-42503444
E-mail: csl@consolidatedsecurities.biz

AUDITORS

R. Mahajan & Associates
Chartered Accountants
402, Jain Bhawan, W.E.A
Karol Bagh
New Delhi-110005

BANKERS

HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area Phase-2,
New Delhi-110020

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Anju Biyani

CHIEF FINANCIAL OFFICER

Mr. Rohit Gupta

**NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Consolidated Securities Limited will be held on Friday, the 30th day of September, 2011 at 10.00 a.m. at Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kumar Chaddha, who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint a Director in place of Mr. Anirudha Kumar, who retires by rotation and being eligible, offers him self for re-appointment.
4. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard to consider and if, thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. R. Mahajan & Associates, Chartered Accountants, New Delhi, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

For and on behalf of the Board

Sd/-

Place: New Delhi
Date: 12th Aug. 2011

Rohit Gupta
Managing Director & CFO

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution to the Registered Office of the Company, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September 2011, to Friday, 30th September 2011 (both days inclusive).
4. Members are requested to bring their own copies to the meeting.
5. Additional information, in terms of clause 49 of the Listing Agreement with Stock Exchanges, regarding appointment/reappointment of Directors as set out in Item no 2 & 3 of the Notice is also annexed hereto separately and forms part of the Notice.
6. Members desirous of any information/clarification on the accounts are requested to write to the Company at least 10 days in advance so as to enable the management to keep the same ready at the Annual General Meeting.
7. Please send your requests for transfer/transmission/consolidation and demat of shares, change of address to our Registrar and Transfer Agents (RTA) - MAS Services Ltd. at T-34, 2nd Floor, Okhla Industrial Area Phase-2, New Delhi-1100209
8. Members attending the meeting are requested to



NOTICE

bring with them their Client ID and DP ID Numbers/Folio Numbers for identification. Further members/proxies should bring the attendance slip duly filled in for attending the meeting.

9. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Transfer Agents, M/s. MAS Services Limited for consolidation of all such shareholding into one folio to facilitate better service.

10. Shareholders holding shares in certificate form are requested to de-materialize their holding in electronic form.
11. The Company has designated an exclusive email id viz investor@consolidatedsecurities.biz to enable the investors to post their queries/suggestions/grievances and monitor its redressal.

For and on behalf of the Board

Sd/-

Place: New Delhi

Rohit Gupta

Date: 12th August 2011

Managing Director & CFO

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting to be held on 30th September 2011 pursuant to the requirement of Clause 49 of the Listing Agreement

Name of Director	Anil Kumar Chaddha	Mr. Anirudha Kumar
Date of Birth	24.09.1959	15.08.1966
Nationality	Indian	Indian
Date of appointment	29.10.2005	01.09.2010
Qualification	Commerce graduate, FCWA, FCS	B.Sc, FCA
Expertise in specific functional areas	Having around 30 years of rich experience in the field of corporate finance, stock market and company law matters.	He has more than 20 years of rich experience in investment, corporate finance, audit, banking and taxation.
Shareholding in CSL	Nil	Nil
List of outside Directorships	Euro Financial Services Ltd. Ardour Finman Pvt. Ltd. Key Stone Exim Pvt. Ltd. MFL India Ltd LKG Forex Ltd. Remax Developers P Ltd Omkar Buildprop Pvt Ltd	AGM Placement P Ltd
Chairmanship/membership of the committee of the Board of the Company	NA	Member-Audit Committee
Chairmanship/membership of the committee of the Board of other Company	NA	NA

*Dear Shareholders*

Your Directors take pleasure in presenting the 19th Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2011 together with the Auditor's report thereon.

I. Financial Performance**(Rs.in crores)**

Particulars	Current	Previous
	year ended 31.03.2011	year ended 31.03.2010
Total Income	171.00	60.58
Gross Profit	11.40	8.19
Less : Depreciation	0.05	0.05
Profit before Tax	11.35	8.15
Less: provision for Taxation	3.24	1.42
Add(less): Deferred tax	(0.001)	(2.01)
Add(less) MAT Credit entitlement	0.00	1.86
Profit After taxes	8.10	6.58

2. Business Operations

After a strong revival last year, the domestic growth cycle remained robust, extending and consolidating the recovery set forth in the fiscal year ended March 31, 2011. While emerging headwinds from tightening monetary conditions and a scale back in fiscal stimulus measures (put in place during the global credit crisis of the calendar year 2008) led to some moderation in industrial growth, service sector growth and agricultural performance were strong and picked up the slack from industry. This is likely to have pushed the headline GDP growth in the year ended March 31, 2011 to 8.6% from 8.0% in the previous year

The capital market segment, in which your company operates, always tend to carry a certain level of unpredictability with them owing to the dynamic global economic conditions, and quick change in

sentiments. Our main focus during the year has been on steady growth coupled with prudent safeguarding of the capital. Our performance has been reasonable for the year FY 2010-11 and we have earned profit before tax of Rs. 11.35 crores.

3. Transfer to reserves

The Company transferred the profit after tax of Rs. 8.10 crores to the reserves and surplus of the company.

Further in compliance to the provisions of Section 77AA of the Companies Act, 1956, a sum equal to the nominal value of shares bought back during the year i.e Rs. 62,15,930 has been transferred to Capital Redemption Reserve Account.

4. Dividend

Your directors do not recommend any dividend for the year ended 31st March, 2011 as they want to preserve capital for further consolidation.

5. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is not engaged in any activity related to conservation of energy or technology absorption. There were no foreign exchange earnings and outgo during the year under review.

6. Particulars of Employees

No such statement is required to be furnished as no employee was in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

7. Director's Responsibility Statement

In pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Director' Responsibility Statement, your directors hereby state and confirm:

- that in the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards has been followed
- that the Directors has selected such accounting policies and applied them consistently and



made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits or loss of the company for the year under review

- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities
- d. that the Directors had prepared the annual accounts for the financial year ending 31st March 2011 on a going concern basis.

8. Directors

In accordance with the provisions of the Companies Act, 1956 and Article 89 of the Articles of Association of the Company, Mr. Anil Kumar Chaddha and Mr. Anirudha Kumar, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The necessary resolutions with regard to above are being placed before the shareholders for their approval. The Board recommends their re-appointment as Directors on the Board of the Company in this Annual General Meeting.

9. Audit Committee

The existing Audit Committee is in full compliance to Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement and its role and scope is in compliance to those prescribed by Clause 49 of the Listing Agreement.

10. Public Deposits

The Company has neither invited nor accepted any deposits from the public during the year under review within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if applicable, and rules made there-under.

Further the board has also passed a resolution to this effect in its meeting in compliance to RBI Guidelines/provisions.

11. Auditor' Report and Auditors

The Auditors, M/s. R. Mahajan & Associates, Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have given a certificate that their appointment, if made, will be within the limits under Section 224(1-B) of the Companies Act, 1956. Necessary resolution in this regard is proposed at the forthcoming Annual General Meeting. The Board recommends their re-appointment.

The observations of the Auditors and notes on statement of accounts are self-explanatory.

12. Reserve Bank of India's Directions

During the year under review, your company has duly complied with all the requirements prescribed by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs).

13. Listing

The Equity shares of the company are listed at Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE).

14. Management Discussion and Analysis

The Management Discussion and Analysis Report is given separately and forms part of this report.

15. Corporate Governance

Your company has been in full compliance to the requirements of the corporate governance norms and continues to remain committed to maintaining the high standards of corporate governance. A report on Corporate Governance as required under clause 49 of the listing agreement, is given and forms part of this Annual Report. The Auditor's Certificate on compliance of the provisions of Corporate Governance as mentioned in the Listing Agreement is also given.

16. Compulsory De-mat

As per SEBI Guidelines, the shares of the Company are required to be compulsorily traded in dematerialized form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE 718F01018.

As on 31st March, 2011, a total of 30,19,587 Equity



Shares of the Company, which translates to 89.28% of the Share Capital stand dematerialized.

Also, as per SEBI circular dated 17.06.2011, the securities of the companies shall be traded in the normal segment of the exchange if and only if, the company has achieved 100% of promoter's and promoter group's shareholding in dematerialized form latest by the quarter ended September 2011 as reported to the stock exchanges.

Your company is already in compliance with the aforementioned circular.

Members are requested to dematerialize their shares for more convenience.

17. Completion of Buy-back of own securities

The buy-back of its own equity shares of the company which was started on 6th September, 2010 was completed, well within the time-limit, on 14th December, 2010 and pursuant to the same the company bought back 621593 equity shares for a total consideration of Rs. 402.94 lac. The bought back shares were extinguished and accordingly, the paid up capital of the company was stands reduced to 33,82,207 equity shares of Rs.10 each.

18. Postal ballot

The Board of directors of your company has sought the approval of shareholders by way of postal ballot on the following matters:

- Alteration of the Main Objects clause of MOA
- Increase in Authorized Share Capital
- Variation in the terms of remuneration of Managing Director

The postal ballot Notice has already been dispatched to the members of the Company on 04.08.2011 by registered post and the result of the same will be declared on 06.09.2011.

19. Rights Issue of Equity shares

The Board of Directors of the company vide their meeting held on 20.07.2011 have approved the issue of equity shares on rights basis to the existing shareholders of the company.

The other terms including the size of the offer, record date, pricing, ratio etc will be decided in due course in consultation with the intermediaries involved in the process.

20. Acknowledgment

Your directors take this opportunity to place their sincere thanks to the company's bankers, depositories, Government and all the regulatory authorities including SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies and Reserve Bank of India.

Further, we highly appreciate the dedicated and sincere services rendered by all the employees of the Company at all levels.

And last but not the least we put our sincere thanks to the shareholders for the confidence reposed by them in the company.

Place: New Delhi
Date: 12th August, 2011

For & on behalf of the Board

Rohit Gupta
Managing Director
& CFO

Ashok Kumar Kathuria
Director



ECONOMY OVERVIEW

Global Economy- Though the global financial stability has improved largely over the past few months owing to better macroeconomic performance and continued accommodative macroeconomic policies; there still remains a lot to be done. The recovery worldwide is witnessing two major dimensions; with the emerging economies experiencing robust growth whilst their advanced counterparts recovering at modest. These have brought forth different policy challenges for these countries. The advanced economies being hit hardest by the global crisis, the governments and households remain heavily indebted, to varying degrees, and the health of financial institutions still remains a concern and has not been able to catch up with the overall economy. On the other hand, the emerging market economies are facing new challenges associated with strong domestic demand, rapid credit growth, relatively accommodative macroeconomic policies, and large capital inflows. The rising oil prices, the geopolitical risks could also dampen the economic and financial outlook.

Indian Economy- Indian economy, during the better part of the year under review grew at robust pace but the GDP growth during the last quarter came down raising concerns for a possible downward trend. Nevertheless, the recovery of the economy highlights the effectiveness of the policy initiatives taken by the Government in the last couple of years.

Stimulus driven government spending has dissipated as a major driver of growth and private demand has successfully taken over. Structural factors such as strong rural demand, low product penetration and favorable demographics have remained key

supports for private consumption. While government consumption growth is likely to have eased substantially from 16.4% in the fiscal year ended March 31, 2010 to 2.6% in fiscal year ended March 31, 2011, private consumption has remained strong growing by 8.2% in the financial year ended March 31, 2011 as against 7.3% a year ago. However, even as domestic consumption growth has remained robust, investment demand has somewhat disappointed with infrastructure project execution by the government remaining tardy and the corporate capital expenditure cycle remaining subdued. Investments are likely to have grown by 8.2% in the fiscal year ended March 31, 2011 against 12.2% a year ago and this has impinged on industrial performance. Growth in capital goods has fallen from 29.0% in the first half of the fiscal year ended March 31, 2011 to -1.3% in the second half pulling industrial growth lower from 10.3% in the first half of the financial year to 6.3% for the full year.

The main features highlighting the performance of the Indian Economy during the year 2010-11 are as follows:

- The inflation situation continues to be a cause of concern and the rising commodity prices is one of the major reasons for it. Despite large scale tightening of the monetary policy by the RBI and other steps taken by the government, the inflation continues to hover around the double digit mark. High international oil and food prices and hike in minimum support prices further the risks of upside inflation
- Helped by favorable weather and a strong run-up in prices, agricultural production accelerated in late 2010 in India
- The strong momentum in exports has continued during the year under review,



whilst the foreign exchange reserves have increased

- Foreign investment flows into India have gone down over the previous financial year
- The Corporate sector has performed well, with sales in both the services sector and manufacturing sector going up

INDUSTRY STRUCTURE & DEVELOPMENTS

NON-BANKING FINANCIAL COMPANIES (NBFCs)

The NBFC sector in India has undergone a significant transformation in the past few years and has come to be recognized as a systemically important element of the financial system. The regulatory imperatives concerning the non-banking financial sector and the risks arising from regulatory gaps, arbitrage and systemic inter-connectedness have become all the more important post the global financial crisis. The RBI has been emphasizing on tighter regulations and monitoring of Non Banking Financial Companies and has set up a working group to examine issues like the definition and classification of NBFCs, addressing the regulatory gaps and regulatory arbitrage, maintaining standards of governance in the sector and appropriate approach to NBFC supervision.

NBFCs play a vital role as financial intermediaries in the Banking and financial system and their performance is critical for the growth of the entire economy. NBFCs are crucial as a means of finance for various sectors where other sources of finance are not available and they also have the niche of providing tailor-made financing solutions. The non-banking finance companies have shown improvement in their performance as a result of

which their soundness has improved and there are different types of lending from this sector coming through. NBFCs continue to be a valuable factor in keeping the financial services in India in good stead, though they are being tightened more and more by the RBI, so as to plug the regulatory gaps and prevent possible opportunities of regulatory arbitrage.

The Indian financial system remains stable in the face of some fragilities being observed in the global macro-financial environment. The growth is slackening in most parts of the world and the risks from global imbalances continue to hover. The uncertainties in global environment with persistently high energy and commodity prices have contributed to a slight moderation in India's growth momentum as well. The macroeconomic fundamentals for India, however, continue to stay strong, notwithstanding the prevailing inflationary pressures and concerns on fiscal front. The banking sector continues to be stable, though the structure of the sector - characterized by significantly 'connected' and 'clustered' banks, carries certain inherent risks.

Your company being a NBFC has complied with all the rules and regulations laid down by the reserve bank of India w.r.t. the functioning of NBFCs.

BUSINESS STRATEGY

Your company's aim is to grow conservatively in the fast growing Indian economy, with a focus on building a strong balance sheet. It aims to build a long lasting business franchise, which can survive the increasing volatile global markets. It strives to benchmark itself against international standards and best practices in terms of risk management, compliance and balance sheet robustness. The objective is to build good business practices and



capture opportunities as they emerge in the rapidly evolving Indian financial markets.

Over the years it has become increasingly difficult to generate risk adjusted returns on funds deployed. Your company aims to prudently venture into new business opportunities. In the year gone by, besides its focus on short term gains in the capital markets your company has ventured into secured financial lending to professionally run real estate companies with sound promoters. The company provides short term bridge loans for a period of 3-12 months to established mid size real estate companies, to ensure timely completion of their projects. These loans are secured by collateral that is 2-3 times the loan amount, and typically is in the form of first charge on finished real estate projects or operational properties of the same company, which can be easily monetised in case of the default.

Over the last 1 year the company has successfully concluded multiple transactions in this space and is fairly confident of growing this line of business.

Your company is also looking at other emerging opportunities in the financial services market, and will only venture out once its successfully understood the operating conditions and is fairly confident of overall success in that space. Your company is committed to the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance.

OPPORTUNITIES AND THREATS

Opportunities:

- There are different types of lending from this sector coming through, for both unsecured & secured lending
- The regulatory framework for NBFCs is being

re-examined also due to the reason that their systematic importance has gone up over the years,

- NBFCs are emerging as a strong financial intermediary in the retail finance space,
- NBFCs cater to sectors of borrowers that fall outside the purview of banks by the monetary and credit policy
- NBFCs are capable of providing tailor made services to clients,
- New groups are entering the NBFC sector in pursuit of growth opportunities offered by the various product segments,
- NBFCs operating well in the domestic markets are in a position to further expand to scale up their operations
- Given their deeper understanding of the customer needs, the NBFCs continue to focus on product innovation and customizing product offerings,
- The market share of the NBFCs is on the rise

Threats:

- From the earlier stipulation of 12%, the CRAR of both NBFC-ND-SIs and NBFC-Ds have been aligned to 15 per cent (stipulation in case of NBFC-Ds becoming effective as at end-March 2012), which has reduced the returns on the funds deployed
- A prudential cap on banks' exposures to debt oriented mutual funds and provisioning of 0.25 per cent for standard assets have also been stipulated for NBFCs, thereby reducing the overall profit margins



- RBI directed that the bank loans to NBFCs for on-lending against gold jewellery, would be no more eligible for classification under agriculture sector, and it was also announced that bank loans to NBFCs, other than to such MFIs which fulfilled certain recently introduced eligibility conditions, would not be eligible to be classified as priority sector loans.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

There are no separate reportable segments as the company is primarily engaged in the business of making investment and all the activities of the company revolve around the same.

BUSINESS OUTLOOK

The Indian Stock Market has managed to grow at a steady pace but still continues to be volatile and the downgrading of the US debt by Standard & Poor's for the very first time in the history of credit rating, has made the markets all the more unpredictable.

Accordingly, putting our main emphasis on the safeguarding of the capital, we have focused on consolidation of business and steady growth. Since the market conditions are dynamic, we have tried to diversify our portfolio and keep the risk levels to the minimum, while at the same time trying to make as much appreciation as possible in our holdings.

We follow a flexible approach and keep a track of not just the domestic but the global happenings as well, so as to change our investment patterns, if and whenever the need arises. Over the years, it is our ability to preempt and react to the market conditions, which has kept us in good financial position.

OUTLOOK:

Even though the global risk scenario has improved

during the last few months, there are signs of slowdown in growth in most countries and the downgrading of the US debt by the Standards and Poors' has made the situation even more complex and challenging.

High food, commodity and energy prices have been dampening the global growth to a large extent. There is a need to address the underlying factors behind global imbalances, so as to stay on the path of recovery. In the light of the current economic conditions world over, some experts also fear another recessionary phase, which if happens, will have substantial impact on financial markets all over the world and especially in the advanced economies which are struggling to come to terms with the policy measures needed to guide their economies out of imbalances.

As far as the Indian economy is concerned, there has been witnessed a slight fall in the GDP growth during the last quarter of the year 2010-11 but the effective policy initiatives that are in place are capable of allowing the economy to grow at a steady pace. Inflation due to rising food and energy prices is are of the major problems our economy is facing at the moment.

RISKS AND CONCERNS

Risks are always there in business and especially for a company functioning in the stock market, the risks go up further. However, your company does extensive research and analysis before making investments & business decisions, which ensure not just the consolidation of holdings but also that there is sufficient liquidity maintained in the balance sheet of the company at all times.

Your company makes investment decisions after carefully considering all the risks associated with the investment and that is why it has done well over the



years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective Internal control system in place so as to achieve operational efficiency, optimum resource utilization and adherence to set standards. Though, there is no internal audit system, the company has a well defined organization structure and there are proper controls in place in order to track and take corrective measures against any lapse in the working of the organization. Proper records are maintained with respect to the operations and working of the company.

FINANCIAL PERFORMANCE

The Company's Profit before tax (PBT) stood at Rs. 11.35 crores as against Rs. 8.15 crores during the previous year 2009-10. The corresponding figures for Profit After Tax (PAT) are Rs. 8.10 crores and Rs. 6.58 crores for the current year and previous year, respectively.

HUMAN RESOURCES

Human resources hold the key to success or failure of any organization. Your company has well defined teams for all its departments and they work in harmony towards the success of the organization.

Our job roles and responsibilities are well defined and the relations between the employers and the employee are cordial as the latter, allows the former to participate in the decisions directly relating to their work.

Human resources are used as a tool for better performance and satisfaction, at the organization as well the individual level by facilitating a work environment beneficial to both the employers and employee. The remuneration system being followed by the company is updated as per the industry levels as and when necessary.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis of financial condition and result of operations of the Company, describing Company's objectives, expectations or predictions are "forward looking statements" within the meaning of applicable Securities Laws and Regulations. Investors are cautioned that actual results could differ materially from those express and implied. Important factors that could make a difference to the Company's operations include economic conditions, Government policies, taxation laws, market conditions, over which the Company does not have any control. This report must be read in conjunction with Company's financial statements and notes on accounts.

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

Your Directors present the Company's Report on Corporate Governance.

I. Company's Philosophy on Code of Corporate Governance

The company believes that strong corporate governance is vital not only for the healthy and dynamic corporate sector growth but also for the growth of the economy. The good corporate governance satisfies the test of transparency, accountability and independent monitoring. Your company is committed to good corporate governance and follows all applicable laws & regulations. Your company is focused to achieve the higher standards of corporate governance.

2. Board of Directors**A. Composition of Board**

The Board has an optimal mix of Executive and Non-executive Directors, with the strength of latter being more than fifty percent of the total strength of the Board.

As on 31st March 2011, there are five (5) directors on the Board of the company, out of which three (3)

directors are Non-executive and Independent directors. The size and composition of the Board confirms with the norms prescribed in Clause 49 of the Listing Agreement.

B. Board Meetings

The Board plays a pivotal role in ensuring good governance. The members of the board have complete freedom to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. Further the members of the board are free to bring any matter for discussion at the board meeting with the permission of the Chairman.

During the year 2010-11, the Board of Directors met 7 (seven) times. The dates of these meetings were: 26th April 2010, 29th May 2010, 13th August 2010, 1st September 2010, 12th November 2010, 14th December 2010 and 10th February 2011.

The attendance at the Board Meetings during the financial year and the last Annual General Meeting as also the number of other Directorships and Committee Memberships are given below:

Name of Director	Category of Director	Attendance	
		Board Meeting	Last AGM
Mr. Rohit Gupta	Executive Promoter Managing Director	7	Yes
Mr. Ashok Kumar Kathuria	Non-Executive Promoter Director	7	Yes
Mr. Anil Kumar Chaddha	Non-Executive Independent Director	5	No
Mr. Kapil Aggarwal	Non-Executive Independent Director	6	Yes
Mr. Sanjeev Mahajan*	Non-Executive Independent Director	4	No
Mr. Anirudha Kumar**	Non-Executive Independent Director	3	Yes

* Resigned from directorship w.e.f. 1st September 2010

** Appointed on the board w.e.f. 1st September 2010



No. of other directorships and committee membership as on 31st March 2011 is as follows:

Name of Director	No. of other Director-ships	No. of other Committee Memberships/Chairman-ships*
Mr. Rohit Gupta	5	Member of Audit Committee-Samrat Forgings Limited
Mr. Ashok Kumar Kathuria	2	Nil
Mr. Anil Kumar Chaddha	7	Nil
Mr. Kapil Aggarwal	Nil	Nil
Mr. Anirudha Kumar	1	Nil

*Represents Memberships/ Chairmanships of Audit Committees and Investor Grievance Committee.

C. Remuneration of Directors

During the year, the non executive independent directors were paid a total of Rs. 30,000/- as sitting fees for attending the board meetings. Such sitting fees is well within the limits specified under the Companies Act, 1956 and rules made thereunder.

No remuneration is being paid to any directors of the company. However the board has approved the remuneration to be payable to Mr. Rohit Gupta, Managing Director, for the remaining period of his tenure of office effective 1st April 2011, for which the approval of shareholders is sought by way of postal ballot which has already been dispatched to the shareholders on 4th August 2011. The results of the same will be declared on 6th September 2011.

The details of remuneration is as follows:

Salary: Rs. 2,50,000 p.m.

Leave Travel Assistance: for self and family once in a year

Medical reimbursement: Reimbursement of all hospitalization and medical expenses actually incurred for self and family provided that the expenses incurred by the company in this regard for him and his family shall be subject to a ceiling of one month's salary in a year.

Car/telephone: The Company shall provide car for the company's business and cellular phone provided that the personal long distance calls and use of car for private purpose shall be billed by the company to Mr. Rohit Gupta.

D. Code of Conduct

The Board of Directors has laid down a code of conduct for directors and senior management personnel of the Company under Clause 49 of the Listing Agreement. The Code of conduct is also updated at the website of the Company www.consolidatedsecurities.biz.

The Code has been circulated to all the directors and senior personnel of the company who has affirmed compliance with this Code for the year ended 31st March 2011. A declaration of compliance of this code signed by the Managing Director & CFO is given below:



“In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, I, Rohit Gupta, CFO & Managing Director of the Company, hereby declare that the all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2011.

Rohit Gupta
CFO & Managing Director”

3. Audit Committee

The Audit Committee comprises of 3 directors out of which 2 directors are non executive independent director. The Chairman of the Audit Committee is non executive independent director. All the members of the Committee have good financial and accounting knowledge. The Audit Committee satisfies the requirement under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee. The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement.

The chairman of the Audit Committee was present in the last Annual General Meeting to answer shareholders query.

During the year the committee met six (6) times on 26th April 2010, 29th May 2010, 13th August 2010, 1st September 2010, 12th November 2010 and 10th February 2011. The details of the composition, its meeting and attendance are given below:

Name of Directors	Designation	Category	Attendance
Mr. Kapil Aggarwal	Chairman	Non-Executive Independent Director	6
Mr. Sanjeev Mahajan*	Member	Non-Executive Independent Director	4
Mr. Ashok Kumar Kathuria	Member	Non-Executive Director	6
Mr. Anirudha Kumar**	Member	Non-Executive Independent Director	2

* Resigned from directorship w.e.f. 1st September 2010

** Appointed on the board w.e.f. 1st September 2010

During these meetings, the committee, inter-alia, reviewed the financial statements before submission to the board, oversees the company's financial reporting process and the working of its internal control system.

4. Remuneration Committee

The Company has not constituted any Remuneration Committee.



5. Investor Relations & Share Transfer Committee

The Committee consists of two directors viz Mr. Ashok Kumar Kathuria and Mr. Rohit Gupta. Mr. Ashok Kumar Kathuria, a non-executive director is acting as the Chairman of the Committee. Mrs Anju Biyani-Company Secretary & Manager (Legal) acts as the Compliance Officer.

The Committee formed by the board of directors to oversee investor grievances and redress shareholder's grievances like non-receipt of balance-sheet/ annual report and other related matters and also for reviewing the matters connected with delay in transfer of securities. During the year, 4 (four) meetings of the Committee were held. All the members of the Committee were present in the meeting.

During the year under review, two investor complaints were received and resolved within the stipulated period. As on 31st March 2011, no investor complaint was pending.

6. General Body Meetings

The last three annual general meetings were held as under:

AGM	Year	Date	Venue	Time	Special Resolution(s) passed
16th	2007-08	30.09.2008	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	10:30 am	Nil
17th	2008-09	30.09.2009	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	9:30 a.m.	Nil
18th	2009-10	30.09.2010	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	10:30 a.m.	Nil

Postal Ballot

No postal ballots were used for voting at these meetings in respect of the resolutions passed thereat. No special resolution is proposed to be conducted through postal ballot at the ensuing AGM also.

However, the Company has sought the approval of shareholders by way of postal ballot pursuant to section 192A of the Companies Act read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for the following matters:



- Alteration of the Main Objects clause of MOA
- Increase in Authorized Share Capital
- Variation in the terms of remuneration of Managing Director

Mr Akash Gupta c/o Gupta Akash & Associates, Practicing Company Secretaries, New Delhi has been appointed by the Board of directors of the company as Scrutinizer to carry out the postal ballot process in fair & transparent manner. The results for the aforesaid postal ballot shall be declared on 6th September 2011.

7. Disclosures

- a) During the year 2010-11, other than the transactions entered in the normal course of the company, the Company has not entered any materially significant related party transaction with its Promoters/ Directors/ Senior Employees or relatives etc., which could have a potential conflict with the interest of the Company at large. The details of the related party transactions have been reported in Schedule 13 notes to accounts in compliance with AS 18.
- b) During the year under review, the Company has duly complied with the requirements of the regulatory authorities on capital markets. No penalties have been imposed on the Company by the stock exchanges, SEBI or other statutory authorities during the year. However in the year 2008-09, the Company has paid an amount of Rs. 2,50,000/- towards settlement & administrative charges imposed by SEBI in its consent order dated 23rd October 2008 towards the delay in filing the disclosures under Regulation 6(2) & 6(4) for the year 1997 and Regulation 8(3) of SEBI (SAST) Regulations, 1997 for the years 1998-2003 & 2005. No other penalties have been imposed on the Company by the stock exchanges, SEBI or other statutory authorities.
- c) The Company does not have any Whistler Blower Policy. However, the Company promotes a favorable environment for employees and employees can report to the management their concern about any unethical behavior, actual or suspected fraud or violation of company's code of conduct. No Personnel has denied access to audit committee, so as to ensure ethical and fair conduct of the business of the company.
- d) In preparation of financial statements, the company has followed the Accounting Standards laid by the Institute of Chartered Accountants of India to the extent applicable and the significant accounting policies have been set out in the Notes to the Accounts.
- e) The Company is complying with all mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement and has not adopted any non-mandatory requirement of Clause 49.

8. Means of Communication

Quarterly / Annual results

The quarterly/ annual financial results are usually published in 'The Financial Express/ Business Standard (English) and in 'Jansatta'/ 'Amritvarsha' (Hindi)

All material information about the Company is promptly communicated to the stock exchanges. Further the information about the company and its financials are available at its website also



“www.consolidatedsecurities.biz.” The Annual Report of the Company is sent to all the shareholders at their registered address.

9. General Information for Shareholders

9.1 Annual General Meeting

The 19th AGM is scheduled as follows:

Date, Day & Time	- 30 th September, 2011 (Friday) at 10.00 am
Venue	- Hotel Swati Deluxe Banquet Hall 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi 110005

9.2. Financial Calendar 2011-12 (tentative)

Approval of quarterly/Annual Results

For the quarter ending June, 2011	- August 11
For the quarter ending September, 2011	- Oct./Nov. 11
For the quarter ending December, 2011	- Jan./Feb. 12
For the quarter/year ended March, 2012	- April/May 12

9.3 Book Closure dates

Saturday, 24th September 2011, to Friday, 30th September 2011
(Both days inclusive).

9.4 The Company is listed at the following stock exchanges

The Delhi Stock Exchange Ltd. (DSE)
DSE Hosue, 3/1 Asaf Ali Road, New Delhi-110002

The Bombay Stock Exchange Limited (BSE)
25th Floor, P. J. Towers, Dalal Street
Mumbai-400001

Annual Listing Fees for the Financial Year 2011-12 have been duly paid to DSE and BSE.

9.5 Stock Code

The Bombay Stock Exchange Limited : 530067

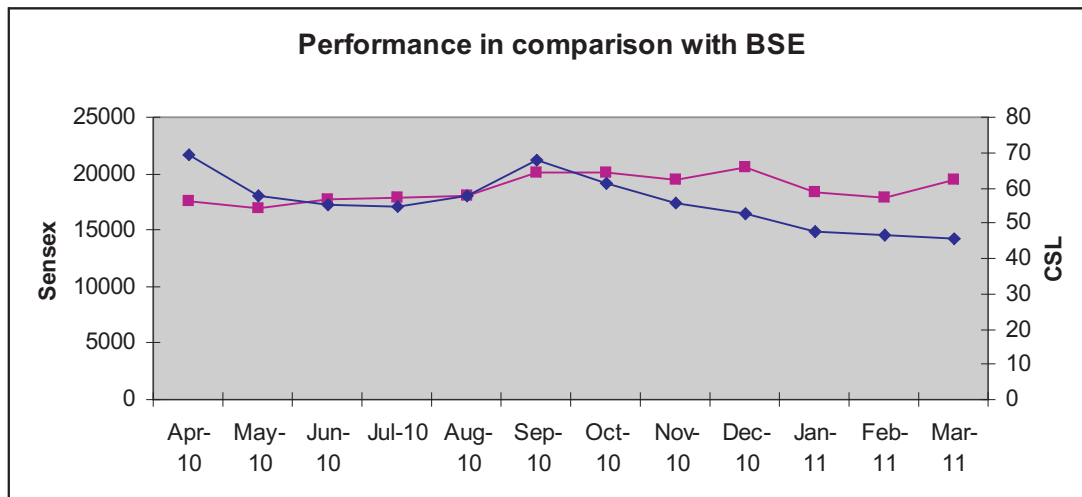
9.6 Stock Market Data

BSE Scrip Code: 530067
For the period: April 2010-March 2011



Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Apr-10	56.8	71.2	56.75	69.35	26533
May-10	70	70	54.2	57.5	4300
Jun-10	57.4	63.3	51.8	55.3	10681
Jul-10	52.6	60.95	52.5	54.5	32518
Aug-10	53	64.5	50.35	57.7	193442
Sep-10	55.05	72.5	55.05	68	247162
Oct-10	68	69.45	61.2	61.2	430179
Nov-10	60.6	76	54	55.45	118629
Dec-10	59	65.5	50	52.45	321212
Jan-11	57	57.9	44.3	47.55	17251
Feb-11	45	53.75	40.05	46.6	13446
Mar-11	47.4	49.5	39.6	45.35	28667

9.7 Performance in comparison with BSE



9.8 Registrar and Share Transfer Agent

M/s MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area Phase-2,
New Delhi-110 020
Tel: 011-26387281, 82, 83
Fax: 011-26787384
Email: mas_serv@yahoo.com



9.9 Share Transfer System

Share transfer and other related operations for the Company-Consolidated Securities Ltd, is conducted by M/s MAS Services Ltd, Registrar and Share Transfer Agent. Share transfer are processed and share certificates are returned within stipulated time period subject to the documents being valid and complete in all respects.

Further, the Company obtains six monthly certificate from practicing company secretary regarding the adherence to the timely transfer of shares as stipulated under clause 47 (c) of the Listing Agreement.

9.10 Distribution of shareholding

Distribution of shareholding as on 31st March, 2011 is as under:-

Shareholding of Nominal Value of Rs.	No. of Shareholders		Number of Shares	Amount	
	Number	%		Rs.	%
Upto 5,000	1003	78.48	180154	1801540	5.32
5001-10,000	136	10.64	108087	1080870	3.20
10,001-20,000	62	4.85	95522	955220	2.82
20,001-30,000	27	2.11	70010	700100	2.07
30,001-40,000	3	0.24	10570	105700	0.31
40,001-50,000	6	0.47	25807	258070	0.76
50,001-1,00,000	24	1.88	173995	1739950	5.14
1,00,001 & above	17	1.33	2718062	27180620	80.36
Total	1278	100	3382207	33822070	100

Shareholding pattern of the Company as on 31st March 2011 was as under:

Category	No. of shares held	% of Equity Capital
Promoters	21,33,363	63.08
Mutual Funds	1,00,000	2.96
Bodies Corporate	4,45,358	13.17
Non-Resident Indians/ OCB	87,121	2.57
Others	6,16,365	18.22
Total	33,82,207	100

9.11 Dematerialization of shares

The equity shares of the Company are compulsorily to be traded in electronic form through the stock exchanges. The International Securities Identification Number (ISIN) allotted to the Company is INE 718F01018.

As on 31st March, 2011, 89.28% of the Share Capital stand dematerialized.

**9.12 Relationship between Directors inter-se**

Name of Director	Relationship with other directors on the Board	Remarks
Mr. Kapil Aggarwal	Nil	Nil
Mr. Rohit Gupta	Nil	Nil
Mr. Anil Kumar Chaddha	Nil	Nil
Mr. Ashok Kumar Kathuria	Nil	Nil
Mr. Sanjeev Mahajan*	Nil	Nil
Mr. Anirudha Kumar**	Nil	Nil

* Resigned from directorship w.e.f. 1st September 2010

** Appointed on the board w.e.f. 1st September 2010

9.13 Address for investor's correspondence

For share transfer/transmission/
Dematerialization or other query relating
to the securities of the Company:

M/s MAS Services Limited
T-34, 2nd Floor
Okhla Industrial Area Phase-2,
New Delhi-110 020
Tel: 011-26387281, 82, 83
Fax: 011-26787384
Email: mas_serv@yahoo.com

For General Correspondence:

Secretarial Department
Consolidated Securities Ltd.
8/19, 3rd Floor, Pusa Lane,
W.E.A., Karol Bagh,
New Delhi-110005
Tel: 011-42503441-44
Fax: 011-42503444

Email id for investor grievance:

investor@consolidatedsecurities.biz

Compliance Officer

Mrs. Anju Biyani,
Company Secretary
& Manager (Legal)



CFO CERTIFICATION

The Board of Directors
Consolidated Securities Limited
8/19, 3rd Floor, Pusa Lane,
W.E.A., Karol Bagh,
New Delhi-110005

I, the undersigned, do hereby confirm and certify under Clause 49 of the Listing Agreement that:-

1. I have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2011 and its schedule and notes on accounts, as well as the Cash Flow Statement and to the best of my knowledge and belief:
 - ❖ These statements do not contain any materially untrue statement or omit material fact or contain statements that might be misleading.
 - ❖ These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I also certify, that based on my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Conduct.

3. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit Committee, as may be applicable
 - ❖ significant changes in internal control during the year; if any,
 - ❖ there were no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; if any, and
 - ❖ there were no instances of fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting system.

For Consolidated Securities Limited

Place: New Delhi

Rohit Gupta

Date: 28th May 2011 **CFO & Managing Director**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Auditors' Certificate On Corporate Governance As Stipulated Under Clause 49 Of The Listing Agreement

To

The members of
Consolidated Securities Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by Consolidated Securities Limited for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of

the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. Mahajan & Associates
Chartered Accountants

Ratnesh Mahajan

Partner

Membership No.85484

Place : New Delhi

Date : 12th Aug. 2011



The Shareholders,

CONSOLIDATED SECURITIES LIMITED

New Delhi.

1. We have audited the attached Balance Sheet of **M/s. CONSOLIDATED SECURITIES LIMITED** as at 31st March 2011 and also the Profit & Loss Account and Cash Flow Statement of the company for the period on that date. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
4. Further to our comments in the annexure referred in paragraph 3 above:-
 - 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 accounts as required by law have been kept by the company so far as appears from our examination of the books of accounts.

- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement complied with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us the said accounts read with notes thereon, give the information as required by the Companies Act, 1956 in the manner so required and also give a true and fair view:-
 - (i) In the case of Balance Sheet of the State of affairs of the company as at 31st March 2011.
 - (ii) In the case of Profit & Loss Account of the Profit for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **R.MAHAJAN & ASSOCIATES**
Chartered Accountants

F. R. N. 011348N

Place: New Delhi

Dated: 28.05.2011

[RATNESH MAHAJAN]

Partner

M.No. 085484



ANNEXURE TO THE AUDITOR'S REPORT

(Annexure Referred to in paragraph (3) of our Audit Report of even date on the Accounts of Consolidated Securities Ltd. for the year ended 31st March 2011)

1.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. During the year, the company has not disposed off substantial part of fixed assets.
2.
 - a. The management has conducted physical verification of inventory of shares held as stock-in-trade at reasonable intervals.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3.
 - a. The Company has granted unsecured loan to two companies covered in the register maintained under section 301 of the companies Act, 1956. and the amount involved is Rs. 11678.64 Lacs and the year end balance of such loan was Nil.
 - b. In our opinion the rate of interest and other conditions of loans given by the company are prima facie not prejudicial to the interest of the Company.
 - c. The receipt of principal amount and interest was regular.
- d. There is no overdue amount of the loan given to the companies.
 - e. The Company had taken unsecured loan from two companies covered in the register maintained under section 301 of the companies Act, 1956. The amount involved during the year was Rs. 20548.37 Lacs and the year end balance of loan taken from such parties was Nil.
 - f. In our opinion the rate of interest and other conditions of loans taken by the company are prima facie not prejudicial to the interest of the Company.
 - g. Payment of the principal & interest is also regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5.
 - a) Based on the audit procedures performed by us and according to the information, explanations and representation given to us, we are of the opinion that the particulars of the contracts or arrangement referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contract or arrangement have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



6. The company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58 A, 58 AA or any other relevant provision of the Companies Act, 1956 and rules made there under. Hence, the clause (vi) of the order is not applicable.
7. In our opinion the Company does not have a formal internal audit system which commensurate with its sizes and nature of its business.
8. We have been informed that the Central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and

Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues to the extent applicable have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable.

- b. According to the information and explanation given to us, there are no dues of Sales Tax, Custom Duty, Wealth Tax, cess which have not been deposited on account of any dispute except the following.

Nature of Statute	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1089849	CIT (Appeal)
Income Tax Act, 1961	Income Tax	4472678	CIT (Appeal)

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks. Company has not taken any loans from financial institutions and also not issued any debenture. Hence question of default does not arise.
12. According to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly paragraph 4 (xii) of the order is not applicable
13. In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute

applicable to chit fund/ Nidhi/mutual benefit fund/societies are not applicable to the company.

14. According to the information and explanations given to us, proper records have been maintained in respect of transaction and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. The shares and other investment have been held by the company in its own name.
15. As explained by the management, company has not given guarantee for loans taken by other from banks or financial institutions.
16. The company has not taken any term loan from any bank and/or financial institution.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.



18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us and the records examined by us, the company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) issued are not applicable to the company.
20. The company has not raised any money by public issues during the year.
21. According to the information and explanations

given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **R.MAHAJAN & ASSOCIATES**
Chartered Accountants
F. R. N. 011348N

Place: New Delhi
 Date: 28.05.2011

[RATNESH MAHAJAN]
 Partner
 M.No. 085484

NON BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

To,

The Board of Director
 Consolidated Securities Limited
 8/19, 3rd Floor, Pusa Lane,
 W.E.A., Karol Bagh,
 New Delhi - 110005.

Dear Sir,

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1988 issued by Reserve Bank of India, on the matters specified in para 3 and 4 of the said Directions to the extent applicable to the Company, we report that:

1. The Company had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 and has been granted certificate of registration by Reserve Bank of India on 03rd March 2003 having Registration No. B-14.00652.

2. The Company has passed a resolution for non-acceptance of public deposits.

3. The Company has not accepted any public deposits during the year 2010-11.

4. For the financial year ended 31.03.2011, the Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to the Company.

For **R.MAHAJAN & ASSOCIATES**
Chartered Accountants
F. R. N. 011348N

Place: New Delhi
 Dated: 28.05.2011

[RATNESH MAHAJAN]
 Partner
 M.No. 085484

**BALANCE SHEET** AS ON 31 MARCH 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31st March 2011	AS ON 31st March 2010
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	33,822,070.00	40,038,000.00
Reserve & Surplus	2	525,841,915.80	478,913,215.51
LOAN FUNDS			
Secured Loan	3	131,490,476.20	1,642,390.96
Deffered Tax Liability (Net)		244,373.00	229,075.00
		691,398,835.00	520,822,681.47
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	5,535,762.76	5,506,862.76
Less : Depreciation		1,942,610.76	1,415,204.76
NET BLOCK		3,593,152.00	4,091,658.00
INVESTMENTS	5	-	180,009,619.73
CURRENT ASSETS LOANS & ADVANCES			
(a) Stock In Hand	6	131,103,546.85	146,178,001.18
(b) Sundry Debtors	7	831,512.00	-
(c) Cash & Bank Balances	8	151,119,708.30	31,079,039.18
(d) Loans & Advances	9	417,873,309.85	159,689,042.34
		700,928,077.00	336,946,082.70
CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	10	2,250,024.00	224,678.96
(b) Provisions		10,872,370.00	-
		13,122,394.00	224,678.96
NET CURRENT ASSETS		687,805,683.00	336,721,403.74
		691,398,835.00	520,822,681.47
Significant Accounting Policies & Notes on Accounts	13	-	-

As per our report of even date attached
For R.MAHAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011348N

For & on behalf of the Board

[RATNESH MAHAJAN]

Partner

M.No. 085484

Place : New Delhi

Date : 28.05.2011

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31 MARCH 2011

27

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31st March 2011	AS ON 31st March 2010
INCOME			
Sale of Shares		1,486,706,906.95	422,783,105.71
Interest (Including T.D.S of Rs.4167048/- Previous year Rs.1065890.85/-)		45,587,394.62	10,220,221.33
Income From Share Trading /Derivative/Mutual Fund/Bonds		12,419,677.10	5,558,480.69
Profit on Sale of Investment		27,951,973.42	20,550,282.51
Brokerage & Commission (Including T.D.S of Rs. 249269/- Previous Year Nil)		4,069,978.88	-
Dividend Income		2,124,911.00	510,997.80
Other Income		133,635.00	873.54
Closing Stock		131,103,546.85	146,178,001.18
		1,710,098,023.82	605,801,962.76
EXPENDITURE			
Opening Stock		146,178,001.18	61,408,600.00
Purchase of shares		1,393,531,496.31	449,218,818.42
Administrative & Office Expenses	11	7,389,817.62	7,065,603.49
Interest & Financial Charges	12	48,081,722.73	6,130,218.58
Depreciation		527,406.00	473,665.00
Provision for Standard Assets		868,990.00	-
		1,596,577,433.84	524,296,905.49
Profit before taxes		113,520,589.98	81,505,057.27
Less : Provision for Tax Expenses			
Current Tax		32,498,008.00	14,144,279.00
(Add) Less Deferred Tax		15,298.00	20,134,345.00
Add (less) MAT Credit Entitlement			
Current Year		-	10,073,118.00
Previous Year		-	8,516,731.00
Profit After taxes		81,007,283.98	65,816,282.27
Profit / (Loss) Brought Forward		394,591,855.51	328,775,573.24
Profit / (Loss) carried over to Balance Sheet		475,599,139.49	394,591,855.51
Earning Per share		21.47	16.44
Significant Accounting Policies & Notes To Accounts	13		

As per our report of even date attached
For **R.MAHAJAN & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 011348N

For & on behalf of the Board

[RATNESH MAHAJAN]

Partner

M.No.085484

Place : New Delhi

Date : 28.05.2011

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)



SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

PARTICULARS	AS ON 31st March 2011	AS ON 31st March 2010
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
4500000 Equity Shares of Rs.10/- each (Pr. Yr 4500000 Equity Shares of Rs.10/- each)	45,000,000.00	45,000,000.00
ISSUED SUBSCRIBED AND PAID UP		
33,82,207 Equity Shares of Rs.10/- each fully paid up (Pr. Yr 40,03,800 Equity Shares of Rs.10/- each fully paid up) (6,21,593 Equity Shares of Rs 10/- each fully paid up were bought back by the company through open market transaction)	33,822,070.00	40,038,000.00
	33,822,070.00	40,038,000.00
SCHEDULE - 2 RESERVE & SURPLUS		
General Reserve :		
Opening Balance	400,000.00	400,000.00
	400,000.00	400,000.00
STATUTORY RESERVES		
Opening Balance	83,921,360.00	83,921,360.00
	-	-
	83,921,360.00	83,921,360.00
CAPITAL REDEMPTION RESERVE		
Opening Balance	-	-
Addition during the year	6,215,930.00	-
	6,215,930.00	-
PROFIT & LOSS ACCOUNT		
Opening Balance	394,591,855.51	328,775,573.24
Net Profit during the year	81,007,283.98	65,816,282.27
	475,599,139.49	394,591,855.51
Less : Transferred to Capital Redemption Reserves	6,215,930.00	-
Less : Premium paid on buy back	34,078,583.69	-
	435,304,625.80	394,591,855.51
	525,841,915.80	478,913,215.51
SCHEDULE - 3 SECURED LOANS		
HDFC BANK LTD. (Ag. Hypothecation of Car)	688,314.86	1,202,158.96
ICICI BANK LTD (Ag. Hypothecation of Car)	301,349.00	440,232.00
Over Draft from HDFC Bank Ltd (Ag. Pledge of Fixed Deposits)	130,500,812.34	-
	131,490,476.20	1,642,390.96



SCHEDULES TO THE BALANCE SHEET

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(Amount in Rs.)

SCHEDULE - 4 FIXED ASSETS

Particulars (Assets)	Gross Block				Depreciation				Net Block	
	Balance As on 01.04.2010	Addition	Sale/ Transfer	Total as on 31.03.2011	As on 01.04.2010	During the year	Sale/ Adjustment	Total As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Fur. & Fixture	361750.76	0.00	0.00	361750.76	284989.76	22899.00	0.00	307888.76	53862.00	76761.00
Car	3920379.00	0.00	0.00	3920379.00	779531.00	372436.00	0.00	1151967.00	2768412.00	3140848.00
Mobile	44970.00	28900.00	0.00	73870.00	3974.00	2893.00	0.00	6867.00	67003.00	40996.00
Office Equipment	257018.00	0.00	0.00	257018.00	168082.00	12208.00	0.00	180290.00	76728.00	88936.00
Scooter	91185.00	0.00	0.00	91185.00	22525.00	8663.00	0.00	31188.00	59997.00	68660.00
LCD Television	124500.00	0.00	0.00	124500.00	15150.00	5914.00	0.00	21064.00	103436.00	109350.00
Airconditioner	43500.00	0.00	0.00	43500.00	4164.00	2066.00	0.00	6230.00	37270.00	39336.00
Computer	600420.00	0.00	0.00	600420.00	130754.00	97328.00	0.00	228082.00	372338.00	469666.00
Photocopy Machine	40740.00	0.00	0.00	40740.00	3764.00	1935.00	0.00	5699.00	35041.00	36976.00
Invertor	22400.00	0.00	0.00	22400.00	2271.00	1064.00	0.00	3335.00	19065.00	20129.00
TOTAL RS.	5506862.76	28900.00	0.00	5535762.76	1415204.76	527406.00	0.00	1942610.76	3593152.00	4091658.00
Pr.Year	3134027.76	2372835.00	0.00	5506862.76	941539.76	473665.00	0.00	1415204.76	4091658.00	2192488.00

(Amount in Rs.)

PARTICULARS	NO.OF SHARES AS ON 31.03.2011	NO.OF SHARES AS ON 31.03.2010	AS ON 31st March, 2011	AS ON 31st March 2010
SCHEDULE - 5 INVESTMENTS				
LONG TERM INVESTMENTS				
INVESTMENT IN SHARES				
	UNQUOTED	UNQUOTED		
DSE Association Ltd.	-	200000	-	8,000,000.00
CURRENT INVESTMENTS				
INVESTMENT IN MUTUAL FUND				
RELIANCE LIQUID FUND TREASURY PLAN	-	801,799.595	-	1 8,000,000.01
RELIANCE MONEY MANAGER FUND	-	122,856.262	-	154,009,619.72
	-			180,009,619.73

Aggregate value of unquoted Investment in shares Rs. NIL (Previous Year Rs. 180009620/-)

(Amount in Rs.)

PARTICULARS	AS ON 31st March 2011	AS ON 31st March 2010
STOCK IN HAND		
SCHEDULE - 6 CURRENT ASSETS, LOANS AND ADVANCES		
Stock in hand	131,103,546.85	146,178,001.18
(As taken valued & certified by the management)		
	131,103,546.85	146,178,001.18



SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

PARTICULARS	AS ON 31st March 2011	AS ON 31st March 2010
SCHEDULE - 7 SUNDRY DEBTORS		
(Unsecured considered good by the management)		
Debts outstanding for a period exceeding		
Six months	-	-
Other debts	831,512.00	-
	831,512.00	-
SCHEDULE - 8 CASH & BANK BALANCES		
Cash in Hand	182,621.50	43,910.50
Balance with Scheduled Banks in Current Accounts	312,172.31	31,035,128.68
Fixed deposits with Scheduled Banks	145,000,000.00	-
Interest receivable	5,624,914.49	-
	151,119,708.30	31,079,039.18
SCHEDULE - 9 LOANS & ADVANCES		
Loans	347,596,000.00	114,607,402.00
MAT Credit Entitlement	8,011,538.00	18,589,849.00
Advance for Purchase of Property	57,762,062.00	24,568,304.00
Interest receivable	2,338,133.00	-
Staff Advance	36,700.00	60,000.00
Prepaid Expenses	23,719.00	15,113.00
Advance to Parties	140,686.00	660.00
Income Tax refund	1,964,471.85	1,762,626.62
Security Deposits	-	85,087.72
	417,873,309.85	159,689,042.34
CURRENT LIABILITIES & PROVISIONS		
SCHEDULE - 10 CURRENT LIABILITIES		
Sundry Creditors	-	-
Other Liabilities	2,250,024.00	224,678.96
	2,250,024.00	224,678.96
PROVISIONS		
Provision for Standard Assets	868,990.00	-
Provision for Income Tax (Net of Advance Tax)	10,003,380.00	-
	10,872,370.00	-
	13,122,394.00	224,678.96



PARTICULARS	AS ON 31st March 2011	AS ON 31st March 2010
SCHEDULE - 11 ADMINISTRATIVE AND OFFICE EXPENSES		
Annual Custody Charges	13,236.00	13,236.00
Annual Listing Fees	22,428.00	19,303.00
Auditor's Remuneration	137,875.00	110,300.00
Bad Debts	-	1,856,229.59
Books & Periodicals	4,328.00	4,696.00
Business Promotion	248,481.80	386,288.37
Courier Charges	46,963.00	46,813.00
Demat Expenses	62,177.65	7,116.97
Diwali Expenses	242,872.00	16,548.00
Donation	-	1,100.00
EDP Expenses	208,886.72	274,417.06
Electricity Expenses	96,513.00	174,565.00
Filing Fees	5,070.00	4,000.00
Generator Repair & Maintenance	21,948.15	22,170.00
Insurance Expenses	23,074.00	71,704.00
Legal & Professional Charges	981,959.00	139,410.00
Meeting & Conference Exp.	12,000.00	8,580.00
Misc. Expenses	22,190.86	37,112.73
Office Expenses	73,371.50	66,103.00
Postage, Telegram Expenses	12,278.00	28,557.00
Printing & Stationery	43,628.00	119,903.00
Prior period Exp	-	31,991.00
Publishing Expenses	441,953.00	264,002.00
Rent	198,000.00	198,000.00
Repair & Maintenance (Others)	105,689.00	108,951.00
Salary & Bonus	1,000,000.00	1,457,725.00
Sitting Fee	30,000.00	-
Staff Welfare	117,039.00	181,856.50
Security Transaction Tax	2,462,420.00	769,734.13
Telephone Expenses	207,814.57	287,275.51
Travelling & Conveyance	340,516.82	208,980.00
Vehicle Running Expenses	207,104.55	148,935.63
	7,389,817.62	7,065,603.49
SCHEDULE - 12 INTEREST & FINANCIAL CHARGES		
Bank Charges	853.00	2,212.61
Car Interest	166,116.90	190,033.96
Interest on Overdraft	3,387,463.05	-
Other Interest	44,527,289.78	5,937,972.01
	48,081,722.73	6,130,218.58

**SCHEDULE – 13 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES****a) System of Accounting :**

- (i) The books of accounts are maintained on mercantile basis except where Otherwise stated.
- (ii) The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India and as per the relevant representational requirements of the Companies Act, 1956.
- (iii) Accounting policies not specifically referred to are consistent with generally accepted accounting practices, except where otherwise stated.

b) Revenue Recognition:

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can reliably measured.
- ii) Interest income is recognized on time proportion basis.
- iii) Dividend income is recognized on receipt.
- iv) Profit / Loss on sale of investments is accounted on the trade dates.

c) Valuation of Investment:

Investments are classified into long term investments and current investments. Long term investments are stated at cost and provision wherever required, made to recognize any decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value and provision wherever required, made to recognize any decline in carrying value.

d) Valuation of Fixed Assets:

Fixed Assets are stated in books at historical cost inclusive of all incidental expenses.

Cost comprises the purchase price and any attributable cost of bringing the assets to working condition for its intended use.

e) Depreciation:

Depreciation on the assets has been provided on SLM basis at the rates prescribed by schedule XIV of the Companies Act, 1956.

f) Retirement Benefits:

- i) Leave encashment benefits are charged to Profit & Loss Account in each year on the basis of actual payment made to employee. There are no rules for carried forward leave.
- ii) No provision has been made for the retirement benefits payable to the employees since no employee has yet put in the qualifying period of service & the liability for the same will be provided when it becomes due.

g) Inventories

Inventories are valued at cost (using FIFO method) or net realisable value, whichever is lower.



h) Impairment of Assets:

The carrying amounts of assets are reviewed at the balance sheet date to determine whether there are any indications of impairment. If the carrying amount of the fixed assets exceeds the recoverable amount at the reporting, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use, the value in use determined by the present value estimated future cash flows. Here carrying amounts of fixed assets are equal to recoverable amounts.

i) Earning Per Share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

j) Provisions, Contingent Liabilities And Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for:

- a) Possible obligations which will be confirmed by future events not wholly within the control of the company, or
- b) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

k) Accounting for Taxes on Income

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized subject to the consideration of prudence on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

II. NOTES TO ACCOUNTS

1. Contingent Liability:

- a) Unpaid liability on partly paid up shares- Nil Previous Year (Nil)
 - b) Estimated amount of contract remaining to be executed on capital accounts- Nil Previous Year (Nil)
 - c) There is an outstanding demand of Income Tax amounting to Rs. 5562527/- (for two assessment years) against which the company has filed appeal before CIT (Appeal).
2. Claim against the company not acknowledged as debts- NIL Previous Year (Nil)
 3. In the opinion of Board of Directors & best of their knowledge & belief, the provisions of all known liabilities are adequate.
 4. In the opinion of Board of directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
 5. None of the employees was in receipt of annual remuneration as prescribed under the provision of section 217(2A) of the Companies Act, 1956.



6. CIF value of Imports:- NIL Previous Year (Nil)
7. Earning & Expenditure in Foreign Currency: NIL Previous Year (Nil)
8. The activities of the company do not involve conservation of energy or absorption of technology.
9. During the year the company bought back 621593 equity shares of Rs 10/- each at a total cost of Rs. 40294513.69/-. The buyback offer was made after passing a special resolution by equity shareholders on 23rd February 2010 and buyback offer was opened on 6th September 2010 and was closed on 14th December 2010.

10. Payments to Auditor includes:

	2010-II	2009-10
Audit Fee :	110,300.00	82,725.00
Tax Audit Fees :	27,575.00	27,575.00
	<u>137,875.00</u>	<u>110,300.00</u>

11. Director's remuneration: NIL NIL
12. Amount due to/from the parties are subject to confirmation.
13. Company is dealing in shares. So the closing stock of shares has been shown as Stock-in-Trade but some shares purchased during the year by the company for earning income by way of dividends and for long term purposes being strategic/large investments are shown under investments and accordingly income from these investments have been shown as short term / long term profit.
14. Deferred Tax Liabilities/Assets have been provided in accordance with AS-22. The break up of the deferred tax assets & liabilities are as under :

Nature of Timing Difference	Deferred Tax Assets / (Liabilities) as at 01st April, 2010.	Adjustment for the Current Year	Deferred Tax Assets / (Liabilities) as at 31st March, 2011.
Depreciation	(229075)	(15298)	(244373)
Business Loss	Nil	Nil	Nil
Total	(229075)	(15298)	(244373)

15. AS per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as below:

S. No.	Particulars	Current year 2011	Previous Year 2010
1	Net Profit (loss) as per P/L A/c	81007284	65816282
2	Average No. of equity shares used as denominator for calculating EPS	3772763	4003800
3	EPS (Basic & Diluted) (Rs.)	21.47	16.44
4	Face value of each equity share (Rs.)	10	10



SCHEDULES TO THE ACCOUNTS

16. Related Party Disclosure:

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

(A) Name of related parties and description of relationship:

- (1) Holding Company :
 - A) Mundra Credit & Investment (P) Ltd
- (2) Other related parties where the Directors / Relatives have significant influence
 - a) Deep Deposits & Leasing (P) Ltd.
- (3) Key Management Personnel:
 - a) Mr. Rohit Gupta
- (4) Relatives of Key Management Personnel.
 - a) Mr. Satpaul Gupta

(B) Transaction during the year and balances outstanding at the year end in respect of transactions entered into during the year with the related parties.

Nature of transactions	Refer to (A) (1)	Refer to (A) (2)	Refer to (A) (3)	Refer to (A) (4)
Advance		Nil (730200000)		
Unsecured Loan		Nil (713000000)		
Rent			180000 (180000)	
Salary				120000 (120000)
Balances as on 31st March, 2011	Nil	Nil		

() Indicates figures of Previous year.

17. As per information available with the company, no amount is due to any Undertaking/Enterprise covered under the Micro, Small and Medium Enterprise Development Act, 2006.

18. Since the Company is dealing in one segment, No separate Segment reporting is given.

19. Quantitative Information regarding Opening Stock, Purchase, Sale and Closing Stock of Shares.

	As on 31st March 2011		As on 31st March 2010	
	No. of Shares	Value	No. of Shares	Value
Opening Stock	1967281	146178001.18	1030538	61408600.00
Purchase	9380785	1393531496.31	4755382	449218818.42
Sales	9219099	1486706906.95	3818639	422783105.71
Closing Stock	2128967	131103546.85	1967281	146178001.18

20. The figures of the previous years have been regrouped and rearranged wherever it is considered necessary.



SCHEDULES TO THE ACCOUNTS

21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:					
Registration No.	51462	State Code	55		
Balance Sheet	31	03	2011		
	Day	Month	Year		
II.Capital raised during the year (Amount in Rupees Thousands)					
Public Issue		Right Issue		Bonus Issue	Private Placement
NIL		NIL		NIL	NIL
III.Position of mobilization and deployment of funds (Amount in Rupees in Thousands)					
Total Assets			Total Liabilities		
691399			691399		
Sources of Funds (Amount in Rupees in Thousands)					
Paid up Capital	Reserve & Surplus	Secured Loans	Unsecured Loan	Deffered Tax Liability	
33822	525842	131491	NIL	244	
Application of Funds (Amount in Rupees in Thousands)					
Net Fixed Assets	Investments	Net Current Assets	Deffered Tax Assets	Accumulated Losses	
3593	NIL	687806	NIL	NIL	
IV.Performance of company (Amount in Rupees Thousands):					
Turnover	Total Expenditure	Profit/Loss before tax	Profit/Loss after tax	Earning per share in Rupees	Dividend rate %
1578995	1465474	113521	81007	21.47	NIL
V.Generic Names of Three Principal Products/Services of company (as per monetary terms):					
Item Code No.	Production Description	Item Code No.	Production Description	Item Code No.	Production Description
1)	Sale Purchase of Shares	NIL	NIL	NIL	NIL

As per our report of even date attached
For **R.MAHAJAN & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 011348N

For & on behalf of the Board

[RATNESH MAHAJAN]

Partner

M.No.085484

Place : New Delhi

Date : 28.05.2011

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)



CASH FLOW STATEMENT

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CASH FLOW STATEMENT FOR TH YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	AS ON 31ST MARCH, 2011	AS ON 31ST MARCH, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax & Extraordinary items	113,520,589.98	81,505,057.27
Adjustment for :		
Depreciation	527,406.00	473,665.00
Provision for Standard Assets	868,990.00	-
Profit / Loss on sale of investment	(27,951,973.42)	(20,550,282.51)
Operating Profit before Working Capital changes	86,965,012.56	61,428,439.76
Adjustment for Current Assets & Loans & Advances		
1) Sundry Debtors	(831,512.00)	3,515.23
2) Loans & Advances	(268,762,578.51)	(71,770,325.95)
3) Stock In Hand	15,074,454.33	(84,769,401.18)
Current Liabilities	2,025,345.04	8,278.91
Cash generated from operations	(165,529,278.58)	(95,099,493.23)
Direct Taxes Paid	11,916,317.00	19,754,542.90
	(177,445,595.58)	(114,854,036.13)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments in shares	321,758,681.22	132,290,973.14
Purchase of investments in shares	(113,797,088.07)	(23,692,478.85)
Purchase of Fixed Assets	(28,900.00)	(2,372,835.00)
	207,932,693.15	106,225,659.29
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	129,848,085.24	1,077,567.96
Buyback of Equity Shares	(40,294,513.69)	-
	89,553,571.55	1,077,567.96
Net Decrease in cash & cash equivalents	120,040,669.12	(7,550,808.88)
Cash & cash equivalents at the beginning of period	31,079,039.18	38,629,848.06
Cash & cash equivalents at the end of period	151,119,708.30	31,079,039.18

As per our report of even date attached

For & on behalf of the Board

For **R.MAHAJAN & ASSOCIATES****CHARTERED ACCOUNTANTS****FRN 011348N****[RATNESH MAHAJAN]**

Partner

M.No.085484

Place : New Delhi

Date : 28.05.2011

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)



SCHEDULES TO THE BALANCE SHEET

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(As required in terms of paragraph 13 of Non - Banking financial (Non deposit Accepting or holding)
Companies Prudential Norms (Reserve bank) Directions, 2007

(Amount in Lacs)

PARTICULARS	Amount Outstanding	Amount Overdue
Liabilities side		
I Loan and advances availed by the non - banking financial company inclusive of interest accrued thereon but not paid:	Nil	Nil
(a) Debentures		
Secured	Nil	Nil
Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
(b) Deferred Credits	Nil	Nil
(c) Terms Loans	9.90	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Overdraft from HDFC Bank Ltd.	1305.00	Nil
* Please see Note 1 below		
Assets side	Amount outstanding	
2 Break-up of Loans and advances including bills receivables [other than those included in (4) below] :		
(a) Secured	Nil	
(b) unsecured	3,475.96	
3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :	Nil	
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors	Nil	
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Others loans counting towards AFC activities	Nil	
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		



SCHEDULES TO THE BALANCE SHEET

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(Amount in Lacs)

Particulars	Amount outstanding
4 Break-up of investments:	
Current Investments:	
I. Quoted :	
(l) Shares :	
(a) Equity	1,311.04
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted :	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Building)	Nil
Long Term investments :	
I. Quoted:	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others -warrants	Nil
2. Unquoted :	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil



SCHEDULE TO THE BALANCE SHEET

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

5 Borrower group-wise classification of assets financed as in (2) and (3) above :

(Amount in Lacs)

Category	Amount net of provisions		Total
	Secured	Unsecured	
Please see note 2 below			
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) companies in the same group	Nil	Nil	Nil
(c) other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	3,467.27	3,467.27
Total	Nil	3,467.27	3,467.27

6 Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
Please see note 3 below		
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the Same Group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	1,311.04	1,311.04
Total	1,311.04	1,311.04
* Market rate is not available hence cost has been taken.		
** As per Accounting Standard of ICAI (Please see Note 3)		

Particulars	Amount
7 Other information	
(i) Gross Non-Performing Assets	Nil
(a) Related Parties	
(b) Other than related parties	
(ii) Net Non-Performing Assets	Nil
(a) Related Parties	
(b) Other than related parties	
(iii) Assets acquired in satisfaction of debt Nil	Nil

**SCHEDULE TO THE BALANCE SHEET****Schedule to the Balance Sheet of a non-deposit taking non-banking financial company****Note**

1. As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
3. All Accounting Standards and guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets required in satisfaction of debt. However, market value in respect of quoted in respect quoted investments and break up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date attached

For **R. MAHAJAN & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 011348N

[RATNESH MAHAJAN]
Partner

M.No. 085484
Place: New Delhi
Date: 28.05.2011

For and on behalf of the Board

Rohit Gupta
Managing Director & CFO

Ashok Kumar Kathuria
Director

Anju Biyani
Company Secretary
& Manager (Legal)



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CONSOLIDATED SECURITIES LIMITED

Regd. Office: 8/19, 3rd Floor, W.E.A., Pusa Lane, Karol Bagh,
New Delhi - 110005

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

D.P. Id*		Folio No.	
Client Id*		No. of Shares	

Name and address of the Shareholder _____

I/We hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company to be held on Friday, 30th day of September, 2011 at 10.00 A.M. at Hotel Swati Deluxe Banquet Hall, 17A/32 Gurudwara Road, W.E.A., Karol Bagh, New Delhi 110 005.

Signature of the shareholder(s) or Proxy _____

Name of the Proxy in Block Letters _____
(in case a proxy attends the meeting)

* Applicable for investors holding shares in dematerialized form.



CONSOLIDATED SECURITIES LIMITED

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New Delhi - 110005

PROXY FORM

D.P. Id*		Folio No.	
Client Id*		No. of Shares	

I/We _____ of _____

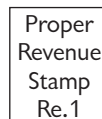
being a member/members of the Consolidated Securities Limited appoint Shri/Smt. _____

_____ of _____ or failing him/her

_____ of _____ as my/our Proxy to
vote for me/us on my/our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held on Friday, 30th
day of September, 2010 at 10.00 A.M. at Hotel Swati Deluxe Banquet Hall, 17A/32 Gurudwara Road, W.E.A., Karol Bagh,
New Delhi 110 005 and at any adjournment thereof.

Signatures _____

Signed _____ day of _____ 2011



* Applicable for investor holding shares in electronic form



Note: The Proxy need not be a member. The Proxy form duly signed and stamped should reach the Company's Registered Office atleast 48 hours before the time of meeting.