



ANNUAL
2011-12
REPORT



Consolidated
Securities Ltd

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BOARD OF DIRECTOR

Kapil Aggarwal	Chairman
Rohit Gupta	Managing 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: 011-42503441-44
Fax: 011-42503441-44
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 Twentieth Annual General Meeting of the Members of Consolidated Securities Limited will be held on Thursday, 9th day of August 2012 at 1.00 p.m. at Hotel Jivitesh, Sat Brahma Road, 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, 2012 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. Ashok Kumar Kathuria, who retires by rotation and being eligible, offers him self for re-appointment.
3. 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.”

SPECIAL BUSINESS

4. To consider and pass with or without modifications, the following resolution as “Ordinary Resolution”

“RESOLVED THAT in partial modification to the resolution no. 5 passed by the shareholders at the 15th Annual General Meeting of the company held on 29th September 2007 approving the appointment and terms of appointment of Mr. Rohit Gupta, Managing Director and the resolution no. 3 passed by the shareholders by way of postal ballot on 6th September 2011 and in accordance with Section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 , the Company hereby approves the variation in the terms of remuneration of Mr. Rohit Gupta, Managing Director as revised by the Board of Directors and as specified in the Explanatory Statement to this resolution, for the remaining period of his tenure of office.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Rohit Gupta, as approved earlier by members, shall remain unchanged.

RESOLVED FURTHER THAT to give effect to this resolution, the Board of Directors or a Committee thereof, be and are hereby authorized to take all such steps and actions and do all such acts, deed matters and things as they may, in their absolute discretion, deem necessary, proper or desirable to give effect to this resolution.”

5. To consider and pass with or without modifications, the following resolution as “Special Resolution”

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and other applicable

provisions, if any, of the Companies Act, 1956 ("the Act"), and Article 108-111 of Articles of Association of the Company, Mr. Rohit Gupta be and is hereby re-appointed as Managing Director of the Company w.e.f. 11th August 2012 for a period of 5 years, upon the following terms and condition:

- a) Salary: Rs. 2,50,000 p.m.
- b) Commission: Commission at the rate of 3% on the net profits of the Company computed in the manner laid down in the Section 309 of the Companies Act, 1956 & subject to Sections 198, 309 & other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, with the liberty to the Board of Directors to decide and alter/vary the % of commission as may be agreed to between the Board of Directors and Mr. Rohit Gupta. However, the remuneration including the commission to be given to the Managing Director shall be within the ceiling laid down in Sections 198, 309 & other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956
- c) Perquisites:
 - ☞ 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.

RESOLVED FURTHER THAT Managing Director shall not be liable to retire by rotation during his tenure as Managing Director and shall function under the Superintendence, Direction and Control of the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER THAT Mr. Ashok Kumar Kathuria, Director of the Company, be and is hereby authorized to file related forms and returns with ROC, NCT of Delhi and Haryana.

RESOLVED FURTHER THAT a certified copy of the above resolution, duly signed by any of the Directors/Company Secretary of the Company be forwarded to concerned authorities, as and when required and do all the necessary acts to give effect to this resolution."

For and on behalf of the Board

Place: New Delhi
Date: 13th July 2012

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. The explanatory statement pursuant to Section 173(2) of the Companies Act 1956 is annexed herewith.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 3rd August 2012 to Thursday, 9th August 2012 (both days inclusive).
5. Members are requested to bring their own copies to the meeting.
6. 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 & 5 of the Notice is also annexed hereto separately and forms part of the Notice.
7. 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.
8. 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-110020
9. Members attending the meeting are requested to 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.
10. 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.
11. Shareholders holding shares in certificate form are requested to dematerialize their holding in electronic form.
12. 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

Place: New Delhi
Date: 13th July 2012

Rohit Gupta
Managing Director & CFO

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, Item No. 4

At 15th Annual General Meeting of the company held on 29th September 2007, the shareholders approved the appointment of Mr. Rohit Gupta, Managing Director at Nil remuneration. The board of directors with the approval of the shareholders taken by way of postal ballot on 6th September 2011 decided to give remuneration to him. Considering the rich experience and the instrumental role which is being played by Mr. Rohit Gupta as Managing Director of the company, the board of directors at its meeting held on 9th February 2012 has decided that in addition to the salary, perquisites & allowances as approved by the shareholders by way of postal ballot on 6th September 2011, Mr. Rohit Gupta shall also be entitled to a commission at the rate of 3% on the net profits of the Company for the remaining period of his tenure of office effective from the financial year 2011-12, computed in the manner laid down in the Section 309 of the Companies Act, 1956 & subject to Sections 198, 309 & other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, with the liberty to the Board of Directors to decide and alter/vary the % of commission as may be agreed to between the Board of Directors and Mr. Rohit Gupta. However, the remuneration including the commission to be given to the Managing Director shall be within the ceiling laid down in Sections 198, 309 & other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, subject to the approval of the shareholders of the company.

All other terms and conditions of the appointment & remuneration of Mr. Rohit Gupta-Managing Director, as approved by the members earlier, will remain unchanged. The resolution for variation in the terms of

remuneration as aforesaid is recommended for acceptance by the members. The above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

The documents relating to this variation in the terms of remuneration as aforesaid is available for inspection at the registered office of the Company between 11.00 am and 1.30 p.m. on any working day of the company upto 9th August 2012.

The Board of directors recommends the aforesaid ordinary resolution.

Except Mr. Rohit Gupta, none other director is concerned/ interested in the resolution as set out in Item No. 4 of the Notice.

Item No. 5

Mr. Rohit Gupta (44) is the Managing Director of the Company. He is the director of Mundra Credit & Investment Private Limited, which is the holding company of the Company.

Mr. Gupta was appointed as Director of the Company effective 29th October, 2005 and as Managing Director since 11th August 2007.

He is a Fellow Member of the Institute of Chartered Accountants of India. He has extensive experience of over 20 years in the industry and business. His tenure as Managing Director ends on 10th August 2012. Considering his rich and vast experience and exceptional managerial skills and strong understanding of capital markets, the Board of directors felt that it would be in the interest of the Company to re-appoint him as Managing Director. Accordingly, the Board of Directors in their meeting held on 13.7.2012, re-appointed him as Managing Director w.e.f. 11th August 2012, subject to the approval of shareholders in the ensuing Annual General Meeting.

In compliance with provisions of Sections 198,

NOTICE

269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment specified above are now being placed before the Members for their approval.

The Directors recommend the resolution at Item No. 5 of the accompanying notice for approval of the Members of the Company.

Except Mr. Rohit Gupta, none other director is concerned/interested in the resolution as set out in Item No. 5 of the Notice.

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting to be held on 9th August 2012 pursuant to the requirement of Clause 49 of the Listing Agreement.

Name of Director	Mr. Ashok Kumar Kathuria	Mr. Rohit Gupta
Date of Birth	24.02.1959	18.12.1967
Nationality	Indian	Indian
Date of appointment	29.10.2005	29.10.2005
Qualification	B.A.	B.Com(H), FCA
Expertise in specific functional areas	Having more than 25 years of experience in the Administration.	Having more than 20 years of rich experience in the field of corporate finance, stock market and financial services.
Shareholding in CSL	Nil	Nil
List of outside Directorships	Mundra Credit & Investment P Ltd Shreem Portfolio Pvt Ltd	Mundra Credit & Investment P Ltd Shreem Portfolio Pvt Ltd Deep Deposits & Leasing Pvt Ltd Kinsfolk Industries Pvt Ltd
Chairmanship/membership of the committee of the Board of the Company	Member -Audit Committee Chairman-Investor Relations and Share Transfer Committee	Member -Investor Relations and Share Transfer Committee
Chairmanship/membership of the committee of the Board of other Company	Nil	Nil

Dear Shareholders

Your Directors take pleasure in presenting the 20th Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2012 together with the Auditor's report thereon.

1. Financial Performance

(Rs.in crores)

Particulars	Current year ended 31.03.2012	Previous year ended 31.03.2011
Total Revenue	231.17	157.89
Profit before Tax	6.13	11.35
Less : Provision for Taxation	2.00	3.24
Add(less): Deferred tax	(0.007)	(0.001)
Profit After taxes	4.12	8.10

2. Business Operations

The capital market segment, in which your company operates always carries certain amount of risk and in the year under review the Sensex declined 2041 points or 10.49% making it one of the top losers in the world. However, the performance of your company has been reasonable during the year under review and we have earned profit after tax of Rs. 4.12 crores.

3. Transfer to reserves

The Company transferred the profit after tax of Rs. 4.12 crores to the reserves and surplus of the company.

Further the amount received towards the share premium account amounting to Rs.1.05 crores also forms part of the Reserves and surplus.

4. Dividend

Your directors do not recommend any dividend for the year ended 31st March, 2012, for preserving capital for future growth.

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 (including any amendment thereof)

7. Director's Responsibility Statement

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

- that in the preparation of the annual accounts for the financial year ended 31st March 2012, 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
- 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 2012 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. Ashok Kumar Kathuria, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolutions with regard to above are being placed before the shareholders for their approval. The Board recommends his reappointment as Director on the Board of the Company in this Annual General Meeting.

Mr. Rohit Gupta was appointed as Managing Director of the Company on 11th August 2007 for a period of 5 years i.e. upto 10th August 2012. Considering his rich and vast experience, exceptional managerial skills and strong understanding of capital markets, the Board of directors felt that it would be in the interest of the Company to re-appoint him as Managing Director. Accordingly, the Board of Directors in their meeting held on 13.7.2012, re-appointed him as Managing Director w.e.f. 11th August 2012, subject to approval of the shareholders in the ensuing Annual General Meeting. The necessary resolution with regard to his reappointment is being placed before the shareholders for their approval. The Board recommends his re-appointment as Managing Director on the Board of the Company in this Annual General Meeting.

A brief profile of these directors has been given as Annexure to the Notice of the ensuing 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's 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 ensuing 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-Deposit accepting 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. Preferential issue

During the year under review an Extra-Ordinary General Meeting was held on 28th December 2011 wherein the shareholders have given their approval u/s 81(1A) of the Companies Act, 1956 for preferential issue of securities to the promoters.

Pursuant to the aforesaid special resolution of the shareholders, the board of directors in their meeting held on 03rd day of January 2012 has allotted 3,00,000 (Three Lacs) Equity Shares of Rs. 10/- each and 10,00,000 (Ten lacs) convertible warrants with an entitlement to convert into equal number of Equity Shares of Rs.10/- each of the Company to M/s. Mundra Credit and Investment Private Limited (Promoter) at a price of Rs. 45/- which includes a premium of Rs. 35/- per share. Pursuant to the this allotment of equity shares, the paid-up capital of the company has been increased from Rs.3,38,22,070 to Rs.3,68,22,070.

Further, after the date of the balance-sheet but before the signing of this Report,

the board of directors in their meeting held on 10th April 2012 have allotted 6,75,000 (Six lacs seventy five thousand) equity shares out of the total convertible warrants of 10,00,000 (Ten lacs) to the warrant holder- M/s Mundra Credit and Investment Private Limited (Promoter) at a price of Rs. 45/-which includes a premium of Rs. 35/- per share. Pursuant to this allotment of equity shares, the paidup capital of the company has been increased from Rs. 3,68,22,070 to Rs.4,35,72,070

Till date, the amount raised from the aforesaid preferential issue has been utilized for the objects as specified in the explanatory statement to the notice of the EGM approving the said issue.

17. Acknowledgment

Your directors take this opportunity to place their sincere appreciation for significant contribution made by all the employees for their dedication, hard work and commitment towards the success and growth of the Company.

The directors also place their 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.

And last but not the least we put our sincere thanks to the shareholders for the confidence reposed by them in the company and looking forward to have the same support in the coming time.

For & on behalf of the Board

Rohit Gupta
Managing Director
& CFO

Ashok Kumar Kathuria
Director

Place: New Delhi
Date: 13th July, 2012

ECONOMY OVERVIEW

GLOBAL ECONOMY- The financial year 2011-12 will be remembered for volatilities across the economic and political spectrum: sluggish global economic growth, political instability across the Middle East and North Africa, deepening European crisis and fragile US recovery. While growth and employment in the US economy appeared to be improving, the crisis in the Euro Zone threatened to plunge the entire financial world into turmoil. European Central Bank's intervention has seemingly defused the situation but it is expected that other steps need to be taken for the threat of a crisis to recede. The rate of unemployment still remains high in the advanced economies of the world, especially Europe. Financial conditions seem to improve but again they are too delicate.

INDIAN ECONOMY- The domestic economy quashed all expectations witnessing 6.5% growth in FY2011-12, which is its lowest in nine years. The major reasons for such dismal performance being:

- tight monetary control measures,
- policy inertia on government's part,

- persistently high inflation,
- spiraling fuel cost,
- growing fiscal deficit,
- slow investments in the infrastructure sector,
- contracting exports and imports and weakening rupee
- global turbulence has considerably impacted India's economic performance

In nominal terms, Indian rupee has depreciated steadily against the US dollar during the last year. While the rupee depreciation made imports expensive for India, it did not help exports owing to the global slowdown.

FINANCIAL MARKETS - Financial markets continued to witness high volatility in this bearish and uncertain environment- driven by the direction of foreign capital flows and movement of industrial production index and inflation. The Reserve Bank of India (RBI) continued to tighten monetary policy by increasing repo and reverse repo rates five times in FY2012, due to the high inflationary pressures and also reduced the cash reserve ratio (CRR) in two stages by 125

basis points (bps), in order to improve the liquidity situation. However, such moves of the RBI resulted in medium/long term interest rates moving up.

INDUSTRY STRUCTURE & DEVELOPMENTS

NON-BANKING FINANCIAL COMPANIES (NBFCs)

Non-banking financial companies (NBFCs) are playing an important role in making financial services accessible to wider set of India's population, and are emerging as strong intermediaries in the finance space. NBFCs typically provide small ticket retail loans, asset finance, loans for infrastructure finance including equipment and project finance, capital market related products such as promoter finance (loan against shares) etc.. These institutions perform an important function in providing credit to key focus areas such as infrastructure. While some of these services are also provided by banks, their delivery tends to be more efficient and access easier.

The present credit climate is challenging with liquidity being scarce in the light of pressure from excess government borrowings. Banks have preferred to lend to the better rated clients while keeping

their eyes on the quality of their assets. NBFCs can capitalize on these conditions and devise ways to meet this demand. The coming years would be interesting for the NBFC sector. They have to focus on their core strengths while improving on weaknesses to adhere to the regulatory changes. Hence, they will have to be very dynamic and constantly endeavor to search for new products and services in order to survive in this ever competitive financial market.

Being a NBFC, your company has complied with all the rules and regulations as laid down by the Reserve Bank of India for the functioning of non-deposit accepting NBFCs.

SEGMENT-WISE PERFORMANCE

The company is primarily engaged in the business of making investments and broadly its activities can be divided into two broad segments- secured lending and proprietary investments. Over the last 2 years the company has started business in the secured lending segment, as there were a lot of uncertainties and limited deployment opportunities in the proprietary investment space.

One of key underlying themes of the company is preservation of capital. Given

this driving principle, we have built an active secured lending portfolio, which was at 40.25 Cr, as on 31 Mar 2012. The average loan portfolio was Rs 31.67 Cr, and the total interest earned on that was Rs 6.15 Cr, which resulted in a blended yield of 19.43% for FY2011-12. Since then the interest rates have gone up, given the acute liquidity in the system. In the coming year we expect the loan yield to improve from last year, and at the same time be cautious in our lending portfolio to protect against defaults.

The strategy that we follow is to provide secured mezzanine funding of a duration of 3-12 months to companies and real estate developers. The loan is secured by collateral that is atleast 2 times the loan amount, and is given after much due diligence and ground research.

After running this loan book for the last 2 years, we have not faced a single case of loan default. We are focusing on further refining our processes and building a bigger pipeline of deals to actively scale up this loan book.

The other segment is the proprietary investments made by the company. These are largely event based arbitrages that are made with a definite timeframe in

mind. These investments would be in the area of IPOs/FPOs, delistings, open offers, mergers & demergers.

BUSINESS OUTLOOK

We are encouraged by our performance but remain wary of the future economic climate, given the huge headwinds in terms of slowing down of economies and high interest rates.

As always your management is focused on scanning the market for newer opportunities while being prudent and with a single minded focus on preserving the capital in these challenging times.

The adaptive approach which we follow has stood us in good position over the years and flexibility remains our approach as always. The domestic as well as global environment looms with uncertainties but we keep ourselves abreast of all the happenings so as to make the most of any given situation. We have always been and will continue to ensure the safety of our capital along with sustained growth of the business.

BRAND BUILDING

In order to further reflect the evolution of the company, the company has initiated the process to revamp its brand. A new

logo has been designed to reflect more vibrant organisation and better reflect the values that the company stands for.

RISKS AND CONCERNS

Risks are an inherent part of business and more so for the companies operating in the capital market. Though the challenges faced by the company are unforeseen and uncertain, the company does its best by doing extensive research before making investments and also by keeping itself aware of not just the micro but the macro factors. The company tries to keep the risk to the minimum possible levels while ensuring sustainable growth and liquidity at the same time, which is clearly reflected in the accounts of the company.

It is only after taking into consideration all the associated factors, that the company makes investment decisions, which over the years has held the company in good shape.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In order to achieve operational efficiency and optimum resource utilization, the company has in place an effective Internal control system with adherence to set standards. There is no internal audit

system but owing to the well defined organization structure and proper controls, the corrective measures are taken as and when necessary on identification of any lapses in the working of the organization. The data management as regards the operations of the company is kept up to date.

FINANCIAL PERFORMANCE

The company had Sales of Rs.220.89 crores this financial year vs. Rs.149.33 crores in the previous year and EBDITA of Rs.8.23 crores this financial year vs. Rs.16.21 crores in the previous financial year.

The Company's Profit before tax (PBT) stood at Rs. 6.13 crores as against Rs. 11.35 crores during the previous year 2010-11. The corresponding figures for Profit after Tax (PAT) are Rs.4.12 crores and Rs. 8.10 crores for the current year and previous year, respectively.

HUMAN RESOURCES

The Company attributes its success to the richness of knowledge, ideas and experience of its varied workforce. It focuses on attracting and retaining employees with diverse experience in the fields of its operations. The company

understands that the Human resources hold the key to success or failure of any organization and accordingly, it has well defined job roles and responsibilities for all its employees.

To support its activities in secured lending segment the company has recently reallocated the responsibilities of some key management personnel.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis of financial conditions 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.

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy on Code of Corporate Governance

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity. The Company believes that good governance goes beyond good working results and is a pre-requisite to attainment of excellent performance in terms of stakeholder value creation. 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 and is in full compliance to Clause 49 of the Listing agreement which says that atleast 1/3rd of the Board should consist of Independent director where the Chairman of the Board is non-executive directors.

As on 31st March 2012, there were four (4) directors on the Board of the company, out of which two (2) directors were Non-executive and Independent directors. The size and

composition of the Board confirms with the norms prescribed in Clause 49 of the Listing Agreement.

None of the directors of the Company are related inter-se to each other.

Except Managing Director, all the directors are liable to retire by rotation.

On 31st October 2011, Mr. Anil Kumar Chaddha has resigned from the directorship of the Company. However, even after his resignation, the composition of the Board is in conformity to Clause 49 of the Listing Agreement.

B. Board Meetings

During the year 2011-12, the Board of Directors met 9 (Nine) times. The dates of these meetings were: 25th April 2011, 28th May 2011, 17th June 2011, 20th July 2011, 12th August 2011, 31st October 2011, 28th November 2011, 3rd January 2012 and 9th February 2012.

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	9	Yes

Name of Director	Category of Director	Attendance	
		Board Meeting	Last AGM
Mr. Ashok Kumar Kathuria	Non-Executive Promoter Director	9	Yes
Mr. Anil Kumar Chaddha*	Non-Executive Independent Director	2	No
Mr. Kapil Aggarwal	Non-Executive Independent Director	8	Yes
Mr. Anirudha Kumar**	Non-Executive Independent Director	9	Yes

* Resigned from directorship w.e.f. 1st September 2011

No. of other directorships and committee memberships as on 31st March 2012 is as follows:

Name of Director	No. of other Director-ships	No. of other Committee Memberships/Chairman-ships*
Mr. Rohit Gupta	4	Member of Audit Committee-Samrat Forgings Limited
Mr. Ashok Kumar Kathuria	2	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. 90,000/- 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.

The Company has paid Rs. 30,00,000/- as remuneration to Mr Rohit Gupta, which is well within the limits of the Companies Act, 1956 read with Schedule XIII of the Act and is in accordance with the approval of the shareholders obtained by way of postal ballot on 6th September 2011.

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 have affirmed compliance with this Code for the year ended 31st March 2012. 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 2012.

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 25th April 2011, 28th May 2011, 17th June 2011, 12th August 2011, 31st October 2011 and 9th February 2012.. 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. Ashok Kumar Kathuria	Member	Non-Executive Director	6
Mr. Anirudha Kumar	Member	Non-Executive Independent Director	6

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 consist 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 deals with the following:

- Noting transfer/transmission of shares
- Review of demat/remat of shares
- oversee redress shareholder's grievances like non-receipt of balance-sheet/ annual report and other related matters
- Other matters related to shares

During the year, 6 (six) meetings of the Committee were held. All the members of the Committee were present in the meeting.

During the year under review, no investor complaints were received. As on 31st March 2012, 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
17th	2008-09	30.09.2009	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	09:30 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
19th	2010-11	30.09.2011	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	10.00 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.

Extra-ordinary General Meeting (EOGM)

During the year under review, the Company has conducted an Extra-Ordinary General Meeting on 28th December 2011 at 1.00 p.m at its registered office to obtain the approval of shareholders by way of special resolution for preferential issue u/s 81(1A) of the Companies Act, 1956

7. Disclosures

a) During the year 2011-12, 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 the 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.

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 been 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/BPN Times(Hindi).

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and DSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/operations, for the information of the public at large. Further the information

about the company and its financials are available at its website also "www.consolidatedsecurities.biz".

9. General Information for Shareholders

9.1 Forthcoming Annual General Meeting

Date, Day & Time	-	9 th August 2012 (Thursday) at 1.00 pm
Venue	-	Hotel Jivitesh, Sat Brahma Road, Karol Bagh, New Delhi 110005

9.2. Financial Calendar 2012-13 (tentative)

Approval of quarterly/Annual Results

For the quarter ending June, 2012	-	July/August 12
For the quarter ending September, 2012	-	Oct./Nov.12
For the quarter ending December, 2012	-	Jan./Feb.13
For the quarter/year ended March, 2013	-	April 13/May 13

9.3 Book Closure dates

Friday, 3rd August 2012 to Thursday, 9th August 2012
(Both days inclusive).

9.4 The Company is listed at the following stock exchange

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

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

Annual Listing Fees for the Financial Year 2012-13 have been duly paid to DSE and BSE. The Company has also paid Annual Custodial Fees to NSDL & CDSL for the year 2012-13.

9.5 Stock Code

The Bombay Stock Exchange Limited : 530067
The Delhi Stock Exchange Ltd (Company No.) : 7790

CIN (as allotted by Ministry of Corporate Affairs) : L74899DL1992PLC051462

9.6 Stock Market Data

BSE Scrip Code: 530067

For the period: April 2011-March 2012

Month	Open Price	High Price	Low Price	Close Price	No.of Shares
Apr-11	45.00	68.85	44.00	47.20	231729
May-11	44.00	50.00	41.00	45.50	34880
Jun-11	43.00	47.90	38.20	42.05	10792
Jul-11	43.90	61.70	40.25	57.95	118492
Aug-11	56.60	58.10	33.00	35.50	42323
Sep-11	32.55	42.50	32.55	34.95	13715
Oct-11	37.85	38.80	31.00	32.55	15618
Nov-11	33.85	34.00	22.05	25.20	91539
Dec-11	26.50	29.75	22.75	28.15	40643
Jan-12	25.50	34.70	25.50	33.80	16553
Feb-12	29.50	38.80	29.20	32.90	34270
Mar-12	33.05	33.40	23.30	27.10	60360

9.7 Performance in comparison with BSE

Month	Sensex Closing	CSL Close Price
Apr-11	19135.96	47.20
May-11	18503.28	45.50
Jun-11	18845.87	42.05
Jul-11	18197.20	57.95
Aug-11	16676.750	35.50
Sep-11	16453.76	34.95
Oct-11	17705.01	32.55
Nov-11	16123.46	25.20
Dec-11	15454.92	28.15
Jan-12	17193.55	33.80
Feb-12	17752.68	32.90
Mar-12	17404.20	27.10

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 transfers 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, 2012 is as under:-

Shareholding of Nominal Value of Rs	No. of shareholders		Number of Shares	Amount	
	Number	%		Rs.	%
Upto 5,000	1106	79.056	190524	1905240	5.174
5001-10,000	143	10.222	114051	1140510	3.097
10,001-20,000	66	4.718	99533	995330	2.703
20,001-30,000	29	2.073	70668	706680	1.919
30,001-40,000	6	0.429	21288	212880	0.578
40,001-50,000	9	0.643	39066	390660	1.061
50,001-1,00,000	25	1.787	185462	1854620	5.037
1,00,001 & above	15	1.072	2961615	29616150	80.430
Total	1399	100	3682207	36822070	100

Shareholding pattern of the Company as on 31st March 2012 was as under:

Category	No. of shares held	% of Equity Capital
Promoters	25,01,968	67.95
Mutual Funds	1,00,000	2.72
Bodies Corporate	3,30,113	8.96
Non-Resident Indians/ OCB	1,05,167	2.85
Others	6,44,959	17.52
Total	36,82,207	100

9.11 Outstanding warrants

The company has allotted 10,00,000 warrants convertible into equal no. of equity shares to M/s Mundra Credit & Investment Pvt Ltd (Promoter) on 3rd January 2012 pursuant to the special resolution passed by the shareholders in the EGM held on 28th December 2011.

Out of 10,00,000 warrants, M/s Mundra Credit & Investment Pvt Ltd (Promoter) has applied for conversion of 6,75,000 warrants and consequently the said warrants have been converted into 6,75,000 equity shares on 10th April 2012.

As on date, 325000 warrants are outstanding.

9.12 Dematerialization of shares

As on 31st March, 2012, 90.32% of the Share Capital stands dematerialized. The break-up of equity shares held in demat and physical form as on 31st March 2012 is as follows:

Particulars	No. of shares	% of shares
Held in dematerialized form in NSDL	3020211	82.02
Held in dematerialized form in CDSL	305676	8.30
Physical	356320	9.68
TOTAL	3682207	100

The Company's shares are regularly traded at BSE.

The promoters' hold their entire shareholding in dematerialized form.

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: 011-42503441-44

Email id for investor grievance: investor@consolidatedsecurities.biz

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

ELECTRONIC SERVICE OF DOCUMENTS TO REGISTERED EMAIL ADDRESS

As you all may be aware, the Ministry of Corporate Affairs (MCA) had under taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) allowing paperless compliances by Companies through electronic mode, whereby the companies have been permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/CFD/DIL/2011 dated October 5, 2011, have also, in line with the aforesaid MCA circulars, permitted listed entities to supply soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose. This move by the MCA and SEBI is a welcome measure since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. In view of the Green Initiatives announced as above, the Company shall send all documents to Shareholders like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those shareholders, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter referred to as "registered email address") and made available to us, which has been deemed to be the shareholder's registered email address for serving documents including those covered under Section 219 of the Companies Act, 1956 (the Act) read with Section 53 of the Act and Clause 32 of the Listing Agreement executed with the Stock Exchanges.

To enable the servicing of documents electronically to the registered email address, we request the shareholders to keep their email addresses validated/updated from time to time. We wish to reiterate that Shareholders holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from

time to time and Shareholders holding shares in physical form have to write to our RTA, M/s. MAS Services Limited at their address specified below, so as to update their registered email address from time to time M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area Phase-2, New Delhi-110020, Tel: 011-26387281, 82, 83, Fax: 011-26787384 Email: mas_serv@yahoo.com

Please note that the Annual Report of the Company will also be available on the Company's website www.consolidatedsecurities.biz for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the shareholder, any time, as a member of the Company.



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, 2012 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
Rohit Gupta
CFO & Managing Director

Place: New Delhi
Date: 28th May 2012

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, 2012 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 Place : New Delhi
Partner Date : 13th July, 2012
Membership No.85484

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 2012 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 2012 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 2012.
 - (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: 28.05.2012

[RATNESH MAHAJAN]
Partner
M.No. 085484

(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 2012)

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 not granted any loans secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the companies Act,1956. and accordingly paragraph 4 (iii) (a), (b), (c) and (d) of the order are not applicable.
b. 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. 813 Lacs and the year end balance of loan taken from such parties was Nil.
- c. 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.
- d. 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, 2012 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.
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. The company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and in our opinion, adequate documents and records are maintained.
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

made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The price at which the shares have been issued are not prejudicial to the interest of the company.

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

[RATNESH MAHAJAN]

Partner

M.No. 085484

Place: New Delhi

Date: 28.05.2012

NON BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

To,

The Board of Directors
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 2011-12.

4. For the financial year ended 31.03.2012, 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: 28.05.2012

[RATNESH MAHAJAN]

Partner

M.No. 085484

BALANCE SHEET AS AT 31 MARCH 2012

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(Amount in Rs.)

PARTICULARS	NOTE	AS AT	AS AT
		31st March 2012	31st March 2011
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUND			
(A) SHARE CAPITAL	`1	36,822,070.00	33,822,070.00
(B) RESERVE & SURPLUS	`2	577,532,191.12	525,841,915.80
(C) MONEY RECEIVED AGAINST SHARE WARRANTS		40,400,000.00	-
(2) NON CURRENT LIABILITIES			
(A) LONG TERM BORROWINGS	`03	2,122,507.00	251,485.38
(B) DEFFERED TAX LIABILITIES(NET)		320,618.00	244,373.00
(3) CURRENT LIABILITIES			
(A) SHORT TERM BORROWINGS	`04	5,936,933.81	130,500,812.34
(B) OTHER CURRENT LIABILITIES	`05	2,197,302.15	2,988,202.48
(C) SHORT-TERM PROVISIONS	`06	1,019,800.00	10,872,370.00
	TOTAL	666,351,422.08	704,521,229.00
II. ASSETS			
(1) NON CURRENT ASSETS			
(A) FIXED ASSETS			
(i) TANGIBLE ASSETS	`07	7,260,734.00	3,593,152.00
(B) NON CURRENT INVESTMENTS	`08	42,661,852.40	-
(C) LONG TERM LOANS AND ADVANCES	`09	48,662,791.00	57,762,062.00
(2) CURRENT ASSETS			
(A) CURRENT INVESTMENTS	`10	30,201,494.20	-
(B) INVENTORIES	`11	69,446,377.00	131,103,546.85
(C) TRADE RECEIVABLES	`12	7,493,299.39	831,512.00
(D) CASH AND BANK BALANCES	`13	50,483,051.72	145,494,793.81
(E) SHORT TERM LOANS AND ADVANCES	`14	403,126,708.38	347,773,386.00
(F) OTHER CURRENT ASSETS	`15	7,015,113.99	17,962,776.34
	TOTAL	666,351,422.08	704,521,229.00
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES			
	22	-	-
The note nos 1 to 22 are integrated part of these financial statements			

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 : 28.05.2012

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS ON 31 MARCH 2012

(Amount in Rs.)

S. No.	PARTICULARS	NOTE	Year Ended 31st March 2012	Year Ended 31st March 2011
I.	REVENUE FROM OPERATIONS	16	2,311,159,020.05	1,548,783,957.55
II.	OTHER INCOME	17	550,355.17	30,210,519.42
III.	TOTAL REVENUE		2,311,709,375.22	1,578,994,476.97
IV.	EXPENSES:			
	PURCHASE OF STOCK-IN-TRADE		2,154,318,185.89	1,393,531,496.31
	CHANGES IN INVENTORIES	18	61,657,169.85	15,074,454.33
	EMPLOYEE BENEFIT EXPENSES	19	5,030,126.00	1,117,039.00
	FINANCE COSTS	20	20,595,137.05	48,081,722.73
	DEPRECIATION		475,243.12	527,406.00
	OTHER EXPENSES	21	8,359,129.77	7,141,768.62
	TOTAL EXPENSES		2,250,434,991.68	1,465,473,886.99
V.	PROFIT BEFORE TAX(III-IV)		61,274,383.54	113,520,589.98
VI.	TAX EXPENSE:			
	(1) CURRENT TAX		20,007,863.22	32,498,008.00
	(2) DEFERRED TAX		76,245.00	15,298.00
	PROFIT(LOSS) FOR THE PERIOD(V-VI)		41,190,275.32	81,007,283.98
VII.	EARNINGS PER EQUITY SHARE			
	(1) EQUITY		11.91	21.47
	(2) DILUTED		11.11	21.47
	NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	22		
	The note nos 1 to 22 are integrated part of these financial statements			

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 : 28.05.2012

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)

NOTES TO ACCOUNTS

(Amount in Rs.)

PARTICULARS	AS AT 31st March 2012	AS AT 31st March 2011
NOTE - I SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
7000000 Equity Shares of par value Rs.10/- each (Pr. Yr 4500000 Equity Shares of par value Rs.10/- each)	70,000,000.00	45,000,000.00
ISSUED SUBSCRIBED AND PAID UP		
36,82,207 Equity Shares of Rs.10/- each fully paid up (Pr. Yr 33,82,207 Equity Shares of Rs.10/- each fully paid up)	36,822,070.00	33,822,070.00
	36,822,070.00	33,822,070.00

SHARE RECONCILIATION STATEMENT

PARTICULARS	AS AT 31.03.2012 EQUITY	AS AT 31.03.2011 EQUITY
Shares outstanding at the beginning of the year	3,382,207	4,003,800
Shares Issued during the year	300,000	-
Shares bought back during the year	-	621,593
Shares outstanding at the end of the year-	3,682,207	3,382,207

2433363 Equity Shares (Previous year 2133363) are held by Mundra Credit And Investment Pvt. Ltd., the holding company.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL

Shareholder	AS AT 31.03.2012 No. of shares	AS AT 31.03.2011 No. of share	AS AT 31.03.2012 Percentage	AS AT 31.03.2011 Percentage
Mundra Credit And Investment Pvt. Ltd.	2,433,363	2,133,363	66.08%	63.08%

Year (Aggregate No. of Shares)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	6 21,593	-	-	-

(Amount in Rs.)

PARTICULARS	AS AT 31st March 2012	AS AT 31st March 2011
NOTE - 2 RESERVE & SURPLUS		
GENERAL RESERVE :		
Opening Balance	400,000.00	400,000.00
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	400,000.00	400,000.00
STATUTORY RESERVES		
Opening Balance	83,921,360.00	83,921,360.00
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	83,921,360.00	83,921,360.00
CAPITAL REDEMPTION RESERVE		
Opening Balance	6,215,930.00	6,215,930.00
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	6,215,930.00	6,215,930.00
SHARE PREMIUM		
Opening Balance	-	-
Add : Current Year Transfer	10,500,000.00	-
Less : Written Back in Current Year	-	-
Closing Balance	10,500,000.00	-
PROFIT & LOSS ACCOUNT		
Opening Balance	435,304,625.80	394,591,855.51
Add : Profit/(Loss) of Current Year	41,190,275.32	81,007,283.98
Less : Transferred to Capital Redemption Reserve	-	6,215,930.00
Less : Premium Paid on Buyback	-	3,40,78,583.69
Closing Balance	476,494,901.12	435,304,625.80
Total	577,532,191.12	525,841,915.80
NOTE - 3 LONG TERM BORROWINGS SECURED		
HDFC BANK LTD. (Ag. Hypothecation of Car)	104,699.38	6,88,314.86
ICICI BANK LTD (Ag. Hypothecation of Car)	3,437,204.00	3,01,349.00
Less : Current Maturities of Long Term Debt	1,419,396.38	7,38,178.48
	2,122,507.00	251,485.38

Car loan from ICICI Bank Ltd. is repayable in 36 monthly instalments (including one advance EMI) of Rs 109582/- each. The car loan was taken in the month of March 2012 and will mature on 15.02.2015. The applicable rate of interest is 10.52%.

NOTES TO ACCOUNTS

(Amount in Rs.)

PARTICULARS	AS AT 31st March 2012	AS AT 31st March 2011	
NOTE-4 SHORT TERM BORROWINGS SECURED			
Over Draft from HDFC Bank Ltd (Ag. Pledge of Fixed Deposits)	5,936,933.81	130,500,812.34	
	5,936,933.81	130,500,812.34	
NOTE-5 OTHER CURRENT LIABILITIES			
Current Maturities of Long Term Debt	1,419,396.38	738,178.48	
Other Liabilities	777,905.77	2,250,024.00	
	2,197,302.15	2,988,202.48	
NOTE-6 SHORT TERM PROVISIONS			
Provision for Standard Assets	1,006,290.00	868,990.00	
Provision for Income Tax (Net of Advance Tax & TDS)	13,510.00	10,003,380.00	
	1,019,800.00	10,872,370.00	
NOTE - 8 NON CURRENT INVESTMENTS			
TRADE INVESTMENTS			
INVESTMENT IN EQUITY SHARES			
	No. of Shares as on 31.03.2012	No. of Shares as on 31.03.2011	
QUOTED			
APL APOLLO TUBES LTD	180000	0	27,037,888.40
SAMRAT FORGINGS LTD	370600	0	4,723,964.00
SAMRAT FORGINGS LTD # INVESTMENT IN LLP	612000	0	9,400,000.00
RELIANCE INDIA REALITY OPPORTUNITIES LLP			1,500,000.00
			42,661,852.40
AGGREGATE VALUE OF QUOTED INVESTMENT RS. 31761852.40/- (PREVIOUS YEAR RS NIL)			
AGGREGATE MARKET VALUE OF QUOTED INVESTMENT RS. 31950000/- (PREVIOUS YEAR RS NIL)			
(Market value of investment in shares of Samrat Forgings Ltd is not ascertainable since it has not been traded during the year)			
(# These shares are under litigation and as per CLB order the allotment of these shares was cancelled and the company has assigned all the rights with respect to such shares in its favour and the matter is subjudice			
NOTE - 9 LONG TERM LOANS & ADVANCES			
Advance for Purchase of Property (Unsecured considered good by the management)	48,662,791.00		57,762,062.00
	48,662,791.00		57,762,062.00

NOTE-7 FIXED ASSETS-TANGIBLE

PARTICULARS (ASSETS)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 1.04.2011	ADDITION	SALE/ TRANSFER	TOTAL AS ON 31.03.12	AS ON 1.04.2011	DURING THE YEAR	SALE\ ADJUST- MENT	TOTAL AS ON 31.03.12	AS ON 31.03.12	AS ON 31.03.11
Fur. & Fixture	361750.76	0.00	0.00	361750.76	307888.76	22899.00	0.00	330787.76	30963.00	53862.00
Car	3920379.00	4451570.00	1054600.00	7317349.00	1151967.00	312591.00	585201.00	879357.00	6437992.00	2768412.00
Scooter	91185.00	49626.00	0.00	140811.00	31188.00	11414.00	0.00	42602.00	98209.00	59997.00
Mobile	73870.00	3400.00	0.00	77270.00	6867.00	3619.00	0.00	10486.00	66784.00	67003.00
Office Equipment	257018.00	0.00	0.00	257018.00	180290.00	12208.00	0.00	192498.00	64520.00	76728.00
LCD Television	124500.00	0.00	0.00	124500.00	21064.00	5914.00	0.00	26978.00	97522.00	103436.00
Airconditioner	43500.00	103578.12	0.00	147078.12	6230.00	5830.12	0.00	12060.12	135018.00	37270.00
Computer	600420.00	4050.00	0.00	604470.00	228082.00	97769.00	0.00	325851.00	278619.00	372338.00
Photocopy Machine	40740.00	0.00	0.00	40740.00	5699.00	1935.00	0.00	7634.00	33106.00	35041.00
Invertor	22400.00	0.00	0.00	22400.00	3335.00	1064.00	0.00	4399.00	18001.00	19065.00
TOTAL Rs.	5535762.76	4612224.12	1054600.00	9093386.88	1942610.76	475243.12	585201.00	1832652.88	7260734.00	3593152.00
Pr: Year	5506862.76	28900.00	0.00	5535762.76	1415204.76	527406.00	0.00	1942610.76	3593152.00	4091658.00

NOTES TO ACCOUNTS

PARTICULARS	AS AT 31st March 2012	AS AT 31st March 2011
NOTE-10 CURRENT INVESTMENTS		
TRADE INVESTMENTS		
INVESTMENT IN MUTUAL FUNDS		
	No of Units as on 31.03.2012	No of Units as on 31.03.2011
HDFC LIQUID FUND PREMIUM PLAN (GROWTH)	1407698.635	0
	30,201,494.20	-
	30,201,494.20	-
NOTE - II INVENTORIES		
Stock in Trade (As taken valued & certified by the management)	69,446,377.00	131,103,546.85
	69,446,377.00	131,103,546.85
NOTE-12 TRADE RECEIVABLES		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Others Trade Receivables	7,493,299.39	8 31,512.00
	7,493,299.39	8 31,512.00
NOTE-13 CASH & BANK BALANCES		
CASH & CASH EQUIVALENTS		
Cash in Hand	12,942.50	1 82,621.50
Balance with Banks	470,119.22	312,172.31
	483,061.72	494,793.81
OTHER BANK BALANCES		
Fixed deposits with Banks # (Pledged Against Overdraft)	49,999,990.00	145,000,000.00
	49,999,990.00	145,000,000.00
	50,483,051.72	145,494,793.81
# Maturity of FDR is within 12 months but exceeding 3 months		
NOTE-14 SHORT TERM LOANS & ADVANCES		
Secured Loans	402,500,000.00	345,000,000.00
Loans (Unsecured considered good)	16,000.00	2 ,596,000.00
Staff Advance	57,950.00	36,700.00
Advance to Parties	552,758.38	140,686.00
	403,126,708.38	347,773,386.00
NOTE-15 OTHER CURRENT ASSETS		
MAT Credit Entitlement	162,250.00	8 ,011,538.00
Interest Receivable	2,899,493.00	2,338,133.00
Interest accrued on FDR	2,825,491.14	5,624,914.49
Prepaid Expenses	-	23,719.00
Income Tax refund	1,127,879.85	1,964,471.85
	7,015,113.99	17,962,776.34

NOTES TO ACCOUNTS

CALCULATION OF DEPRECIATION AS PER INCOME TAX ACT FOR THE YEAR ENDED 31ST MARCH 2012

ASSETS	RATE	W.D.V. AS ON 01.04.11	DURING THE YEAR		SALE/ TRANSFER	TOTAL	DEPRE- CIATION	W.D.V. AS ON 31.03.12
			MORE THAN 180 DAYS	LESS THAN 180 DAYS				
Furniture & Fixture	10%	106,571	-	-	-	106,571	10,657	95,914
Fax Machine	15%	41,278	-	-	-	41,278	6,192	35,086
Refrigerator	15%	590	-	-	-	590	89	501
EPABX	15%	308	-	-	-	308	46	262
Electrical Fittings	15%	948	-	-	-	948	142	806
Pager	15%	824	-	-	-	824	124	700
Intercom	15%	854	-	-	-	854	128	726
Television	15%	67,367	-	-	-	67,367	10,105	57,262
Inverters	15%	14,378	-	-	-	14,378	2,157	12,221
Computer	60%	70,168	4,050	-	-	74,218	44,530	29,688
Car	15%	2,364,863	-	4,451,570	450,000	6,366,433	621,097	5,745,336
Mobile	15%	89,173	3,400	-	-	92,573	13,886	78,687
Air Conditioner	15%	26,714	103,578	-	-	130,292	19,544	110,748
Photocopy Machine	15%	25,020	-	-	-	25,020	3,753	21,267
Scooter	15%	48,421	49,626	-	-	98,047	14,707	83,340
Total		2,857,477	160,654	4,451,570	450,000	7,019,701	747,157	6,272,544

PARTICULARS

AS AT
31st March 2012 AS AT
31st March 2011

NOTE-16 REVENUE FROM OPERATIONS

Sale of Shares	2,060,844,090.60	1,486,706,906.95
Sale of Commodity	145,088,555.20	-
Interest	102,252,289.80	45,587,394.62
Income From Share Trading /Derivative/Mutual Fund/Bonds	2,872,196.45	12,419,677.10
Brokerage & Commission	1,01,888.00	4,069,978.88
	2,311,159,020.05	1,548,783,957.55

NOTE-17 OTHER INCOMES

Dividend Income	550,355.17	2,124,911.00
Profit on Sale of Investment	-	27,951,973.42
Other Incomes	-	133,635.00
	550,355.17	30,210,519.42

NOTE-18 CHANGE IN INVENTORIES

Opening Stock	131,103,546.85	146,178,001.18
Less: Closing Stock	69,446,377.00	131,103,546.85
	61,657,169.85	15,074,454.33

NOTES TO ACCOUNTS

PARTICULARS	AS AT 31st March 2012	AS AT 31st March 2011
NOTE-19 EMPLOYEE BENEFIT EXPENSES		
Salary & Bonus	4,895,850.00	1,000,000.00
Staff Welfare	134,276.00	117,039.00
	5,030,126.00	1,117,039.00
NOTE-20 FINANCE COSTS		
Bank Charges	4,123.47	853.00
Car Interest	80,665.52	166,116.90
Interest on Overdraft	4,010,781.03	3,387,463.05
Other Interest	16,499,567.03	44,527,289.78
	20,595,137.05	48,081,722.73
NOTE-21 OTHER EXPENSES		
Annual Custody Charges	6,618.00	13,236.00
Annual Listing Fees	74,313.00	22,428.00
Auditor's Remuneration	168,540.00	137,875.00
Books & Periodicals	6,903.00	4,328.00
Business Promotion	151,423.61	248,481.80
Courier Charges	54,259.00	46,963.00
Demat Expenses	8,638.36	62,177.65
Festival Expenses	434,970.00	242,872.00
EDP Expenses	98,924.00	208,886.72
Electricity Expenses	225,605.00	96,513.00
Filing Fees	169,210.00	5,070.00
Generator Repair & Maintenance	25,200.00	21,948.15
Provision for Standard Assets	137,300.00	868,990.00
TDS Demand	9,195.00	-
Commission Expenses	148,864.00	-
Loss on Sale of Assets	97,413.00	-
Nsdl Charges	5,239.00	-
Commodities Expenses	329,443.79	-
Warehouse Charges	256,305.90	-
Preferential Issue Expenses	127,948.00	-
Insurance Expenses	8,093.00	23,074.00
Legal & Professional Charges	685,904.00	981,959.00
Meeting & Conference Exp.	15,312.00	12,000.00
Misc. Expenses	54,563.70	22,190.86
Office Expenses	105,823.00	73,371.50
Postage, Telegram Expenses	32,605.00	12,278.00
Printing & Stationery	69,842.00	43,628.00
Publishing Expenses	275,523.00	441,953.00
Rent	963,000.00	198,000.00
Repair & Maintenance (Others)	56,814.00	105,689.00
Sitting Fee	90,000.00	30,000.00
Security Transaction Tax	2,991,934.61	2,462,420.00
Telephone Expenses	153,310.49	207,814.57
Travelling & Conveyance	89,285.35	340,516.82
Vehicle Running Expenses	230,806.96	207,104.55
	8,359,129.77	7,141,768.62

NOTE - 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**A. 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 when right to receive is established.
- iv) Profit / Loss on sale of investments is accounted on the trade dates.

c) Valuation of Investment:

Investments are classified into non current investments and current investments. Non current 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) Fixed Assets & intangible 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. Intangible assets are recorded at the consideration paid for acquisition of such assets.

e) Depreciation & Amortization:

Depreciation on the fixed assets has been provided on SLM basis at the rates prescribed by schedule XIV of the Companies Act, 1956. Depreciation for assets purchased/sold during the year is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on SLM basis.

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 realizable 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:

- i) Possible obligations which will be confirmed by future events not wholly within the control of the company, or
- ii) 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.

B. NOTES TO ACCOUNTS

a). A) Contingent Liabilities:

- i) Claims against the company not acknowledged as debts - Nil Previous Year Nil
- ii) Guarantees to Banks and Financial institutions against credit facilities extended to third parties - Nil Previous Year Nil
- iii) Other money for which the company is contingently liable - Nil Previous Year Nil

B) Commitments :

- i) Uncalled liability on partly paid up shares- Nil Previous Year (Nil)
- ii) Estimated amount of contracts remaining to be executed on capital accounts- Nil. Previous Year (Nil)
- iii) Other Commitments Nil Previous Year Nil

b). In the opinion of Board of Directors & best of their knowledge & belief the provisions of all known liabilities are adequate.

c). 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.

d). CIF value of Imports: NIL Previous Year (Nil)

e). Earning & Expenditure in Foreign Currency: NIL Previous Year (Nil)

NOTES TO ACCOUNTS

f). The activities of the company do not involve conservation of energy or absorption of technology.

g). Payments to Auditor's includes:

	2011-12	2010-11
Audit Fee :	140,450.00	110,300.00
Tax Audit Fees	28,090.00	27,575.00
	168,540.00	137,875.00

	2011-12	2010-11
h). Director's remuneration:	30,00,000.00	NIL

i). 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.

j). 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, 2011.	Adjustment for the Current Year	Deferred Tax Assets / (Liabilities) as at 31st March, 2012.
Depreciation	(244373)	(76245)	(320618)
Business Loss	Nil	Nil	Nil
Total	(244373)	(76245)	(320618)

k). 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 2012	Previous Year 2011
1	Net Profit (loss) as per P/L A/c	41190275	81007284
2	Average No. of equity shares used as denominator for calculating EPS (Basic)	3457207	3772763
3	EPS (Basic) (Rs.)	11.91	21.47
4	Average No. of equity shares used as denominator for calculating EPS (Diluted)	3707207	3772763
5	EPS (Diluted) (Rs.)	11.11	21.47
6	Face value of each equity share (Rs.)	10	10

l). **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

NOTES TO ACCOUNT

- (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) Mrs. Ridhima 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) (a)	Refer to (A) (4) (b)
Unsecured Loan	29900000 (Nil)	51400000 (Nil)			
Rent			495000 (180000)		450000 (Nil)
Salary				70000 (120000)	
Director's Remuneration			3000000 (Nil)		
Balances as on 31st March,2012	Nil	Nil			

() Indicates figures of Previous year.

- m). 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.
- n). Since the Company is dealing in one segment, No separate Segment reporting is given.
- o). Quantitative Information regarding Opening Stock, Purchase, Sale and Closing Stock of Shares.

	As on 31 st March 2012		As on 31 st March 2011	
	No. of Shares	Value	No. of Shares	Value
Opening Stock	2128967	131103546.85	1967281	146178001.18
Purchase	12843396	1991956199.90	9380785	1393531496.31
Sales	13124019	2060844090.60	9219099	1486706906.95
Closing Stock	1848344	69446377.00	2128967	131103546.85

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

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 : 28.05.2012

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR TH YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	AS ON 31ST MARCH, 2012	AS ON 31ST MARCH, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax & Extraordinary items	61,274,383.54	113,520,589.98
Adjustment for :		
Depreciation	475,243.12	527,406.00
Provision for Standard Assets	137,300.00	868,990.00
Loss on sale of car	19,399.00	
Interest Income	(8,247,484.83)	(6,249,905.00)
Profit / Loss on sale of investment	-	(27,951,973.42)
Operating Profit before Working Capital changes	<u>53,658,840.83</u>	<u>80,715,107.56</u>
Adjustment for Current Assets & Loans & Advances		
1) Trade Receivables	(6,661,787.39)	(831,512.00)
2) Loans & Advances	(46,254,051.38)	(268,762,578.51)
3) Stock In Hand	61,657,169.85	15,074,454.33
4) Other Current Assets	58,951.00	-
Current Liabilities	<u>(790,900.33)</u>	<u>2,025,345.04</u>
Cash generated from operations	61,668,222.58	(171,779,183.58)
Direct Taxes Paid	<u>22,148,445.22</u>	<u>11,916,317.00</u>
	39,519,777.36	(183,695,500.58)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	-	321,758,681.22
Purchase of investments	(72,863,346.60)	(113,797,088.07)
Sales of Fixed Assets	450,000.00	-
Fixed Deposit	95,000,010.00	(145,000,000.00)
Interest Income	8,247,484.83	6,249,905.00
Interest Accrued on Fixed Deposit	3,039,423.35	(5,624,914.49)
Purchase of Fixed Assets	<u>(4,612,224.12)</u>	<u>(28,900.00)</u>
	29,261,347.46	63,557,683.66
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	(124,563,878.53)	129,848,085.24
Long Term Borrowings	1,871,021.62	-
Issue of equity shares	13,500,000.00	-
Shares warrant	40,400,000.00	-
Buyback of Equity Shares	<u>-</u>	<u>(40,294,513.69)</u>
	(68,792,856.91)	89,553,571.55
Net Decrease in cash & cash equivalents	(11,732.09)	(30,584,245.37)
Cash & cash equivalents at the beginning of period	494,793.81	31,079,039.18
Cash & cash equivalents at the end of period	483,061.72	494,793.81

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

For & on behalf of the Board

[RATNESH MAHAJAN]

Partner

M.No.085484

Place : New Delhi

Date : 28.05.2012

(Rohit Gupta)
Managing Director & CFO

(Ashok K. Kathuria)
Director

(Anju Batra)
Company Secretary

SCHEDULE TO THE BALANCE SHEET

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

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

	Particulars		(Rs.in lakhs)
	Liabilities side		
-1	Loan and advances availed by the non - banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
		Nil	Nil
	(a) Debentures : Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	Nil	Nil
	(c) Terms Loans	35.42	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Overdraft from HDFC bank Ltd	59.37	Nil
	* Please see Note 1 below		
	Assets side		
		Amount outstanding	
-2	Break-up of Loans and advances including bills receivables [other than those including in (4) below] :		
	(a) Secured	4025.00	
	(b) unsecured	515.78	
-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		

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 : 28.05.2012

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. Kathuria)
Director

(Anju Biyani)
Company Secretary
& Manager (Legal)

-4	Break-up of investments:		
	Current Investments:		
	I. Quoted :		
	(i) Shares : (a) Equity		694.46
	(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		302.01
	(iv) Government Securities		Nil
	(v) Others (Building)		Nil
	Long Term investments :		
	I. Quoted:		
	(i) Shares : (a) Equity		411.62
	(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 (LLP)		15.00
-5	Borrower group-wise classification of assets financed as in (2) and (3) above :		
	Please see note 2 below		
	Category	Amount net of provisions	
		Secured	Unsecured
			Total
	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		
		4014.94	515.78
	Total	4014.94	515.78
			4,530.72
			4,530.72

-6	Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties ** (a) Subsidiaries (b) Companies in the Same Group (c) Other related parties 2. Other than related parties Total * Market rate is not available hence cost has been taken. ** As per Accounting Standard of ICAI (Please see Note 3)	Nil Nil Nil 1,423.09 1,423.09	Nil Nil Nil 1,423.09 1,423.09
-7	Other information		
	Particulars		Amount
	(i) Gross Non-Performing Assets (a) Related Parties (b) Other than related parties (ii) Net Non-Performing Assets (a) related Parties (b) Other than related parties (iii) Assets acquired in satisfaction of debt		Nil Nil Nil

Note

- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- 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 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

For & on behalf of the Board

[RATNESH MAHAJAN]

Partner

M.No.085484

Place : New Delhi

Date : 28.05.2012

(Rohit Gupta)
Managing Director
& CFO

(Ashok K. 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 20th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 9th day of August, 2012 at 1.00 P.M. at Hotel Jivitesh, Sat Brahma Road, 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

Regd. Office: 8/19, 3rd Floor, W.E.A., Pusa Lane, Karol Bagh,
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. _____

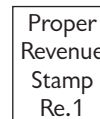
_____ of _____ or failing him/her

_____ of _____ as my/our Proxy to vote for me/us on my/our behalf at the 20th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 9th day of August, 2012 at 1.00 P.M. at Hotel Jivitesh, Sat Brahma Road, Karol Bagh, New Delhi 110 005 and at any adjournment thereof.

Signatures _____

Signed _____ day of _____ 2012

* 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.

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