

CIL SECURITIES LIMITED



CERTIFIED TRUE COPY
For CIL SECURITIES LTD.

Thomas Anand Maheswari
Managing Director

ANNUAL REPORT
2009-10

Company Information

Board of Directors

K.K.Maheshwari Chairman and Managing Director
Piyush Modi Executive Director
Pramila Maheshwari
M.P.Murthy
S.N Kanchal
V.B.Purnaiah
R.N.Joshi

Audit Committee

V.B.Purnaiah
M.P.Murthy
S.N Kanchal

Shareholders' / Investor Grievance Committee

Pramila Maheshwari
K.K. Maheshwari
V.B.Purnaiah

Remuneration Committee II Floor, Great Western Building

S.N.Kanchal
M.P Murthy
V.B.Purnaiah

Auditors

M/s Ram Kishore Jhawar & Associates
Firm No. 003016S
Hyderabad- 500 001
14-6-196, Nagar Khana
Begum Bazar, Hyderabad- 500 012

Solicitors

K Balakrishna & Associates
No 1-1-336/140, Chikkadpally
Hyderabad- 500 020

Principal Bankers

Canara Bank
HDFC Bank

Registered Office

214, Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad- 500 001

Corporate Web Site:

www.cilsecurities.com

E-mail :advisors@cilsecurities.com

Tel No.:040-23203155

Fax No. 23203028

Corporate Office

130-132, Room No. 20,

Opp. Lions Gate, Fort,

Mumbai- 400 023

Registrar & Share Transfers

214, Raghava Ratna Towers

Chirag Ali Lane, Abids,

Chartered Accountants

E-mail: advisors@cilsecurities.com

Tel No.: 040-23203155

Fax: 040-23203028



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of CIL Securities Limited will be held on **Tuesday, 28th September, 2010** at Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6-841, Red Hills, Hyderabad- 500 004 at 11.00 A.M. to transact the following businesses:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010, the Profit & Loss account for the year ended on that date, and the Reports of the Board of Directors, Corporate Governance and Auditors thereon.
2. To declare dividend on the equity shares of the Company.
3. To appoint a Director in place of Smt.Pramila Maheshwari, who retires by rotation at this Annual General Meeting, and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Shri.R.N.Joshi, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
5. To Appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board of Directors of
CIL SECURITIES LIMITED

K.K.MAHESHWARI

Chairman & Managing Director

Registered office

**214, Raghava Ratna Towers,
Chirag Ali lane, Abids, Hyderabad-500 001**

Place: Hyderabad

Date : 29th May 2010

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in Dematerialized form are requested to write their DP ID and Client ID and those who hold shares in Physical Form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. (a) The Company has already notified closure of Register of Members and Transfer Books from Thursday, 23rd September, 2010 to Tuesday, 28th September, 2010 (both days inclusive) for determining the names of Members eligible for Dividend on Equity shares.

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FOR CIL SECURITIES LTD.**
Managing Director

(b) The dividend on Equity shares, if declared at the Meeting, will be paid on or after 28th September, 2010 to those members whose names shall appear on the Company's Register of Members on 23rd September, 2010. In respect of shares held in Dematerialized form, the dividend will be paid to members whose name are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on date.

7. (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate Share Transfer Department of the Company, under the signature of the Sole/First Joint holder, the following information to be incorporated on dividend warrants:

(i) Name of the Sole/First Joint Holder and the Folio Number.

(ii) Particulars of the Bank Accounts, viz:

Name of the Bank;

Name of the Branch;

Complete Address of the Bank with Pin Code Number; Account Type, whether Savings bank Account (SA) or Current Account (CA);

Bank Account Number and MICR NO.

(b) Members wish to change Bank Account Details are, requested to advise their Depository Participants about the change with complete details of the Bank Account.

(c) To avoid loss of dividend warrants in transit and undue delay in respect of Dividend Warrants, the Company has provided a facility to the members for remittance of dividend warrant through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members

holding shares in physical form and desirous of availing this facility are requested to contact Share Transfer Department of the Company.

8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Share Transfer Department of the Company, for consolidation into a single folio.

9. Non-Resident Indian Members are requested to inform the Share Transfer Department of the Company of:

(a) Change in Residential Status on return to India for permanent settlement.

(b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with the Pin Code number.

10. Members desirous of any information on the account are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready and reply will be provided only at the meeting.

11. Duplicate attendance slip shall not be issued at venue of the Annual General Meeting. However same shall be issued at the Registered Office of the Company upto two days preceding the day of the Meeting.

By Order of the Board of Directors

CIL SECURITIES LIMITED

K.K.MAHESHWARI

Chairman & Managing Director

Registered office

214, Raghava Ratna Towers

Chirag Ali lane, Abids,

Hyderabad-500 001

Place: Hyderabad

Date : 29th May 2010

DIRECTORS' REPORT

Dear Members,

Your Directors present the 21st Annual Report and the Audited Accounts for the financial year ended 31st March 2010.

Financial Results

The Financial performance of the Company for the financial year ended 31st March, 2010 is summarized below:

Particulars	(Rs. in Lakhs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Total Revenue	706.43	691.22
Profit before Interest,		
Depreciation & Tax	175.01	86.03
Profit before Depreciation and Tax	174.91	85.84
Depreciation	32.17	38.10
Profit Before Tax	142.74	47.74
Less: Provision for Tax (Net)	12.20	0.55
Profit After Tax	130.54	47.19
Add: Balance Brought Forward from the last year	852.85	869.16
Profit available for Appropriation	983.39	916.35
Appropriations:		
Proposed Equity Dividend	50.00	50.00
Tax on Dividend	8.50	8.50
Transfer to General Reserve	13.00	5.00
Balance carried forward to Balance sheet	911.89	852.85
Total Appropriations	983.39	916.35

The Company's Profit after Tax is Rs.130.54 Lacs (Previous Year Rs.47.19 Lacs). The Board recommends transfer of a sum of Rs. 13.00 Lacs (Previous Year Rs. 5.00 Lacs) to General Reserve.

Dividend

Your Directors are pleased to recommend the payment of dividend on equity shares @ Rs. 1/- per share for the Financial year ending 31-03-2010. The total dividend together with tax and surcharge there on will absorb Rs.58.50 Lacs (Previous year Rs. 58.50 Lacs)

Market Scenario

After a prolonged period of severe turbulence the financial markets across the globe have, turned buoyant, auguring well for the Intermediaries. The hope of further revival of the capital markets depends on how fast the recession hit western world's economies recover. Fortunately, early signs

are beginning to emerge indicating that at least the worse is behind and the developed markets are beginning to respond to the wide range of stimulus packages being provided by the various central banks across the globe, including our Country too, in coordinated efforts.

It is indeed heartening to note that Indian Markets have successfully de-coupled themselves, to a large extent, and is now emerging strongly as an independent market that holds a lot of promise to the financial and capital market participants. We still have a better growth rates as compared to most other emerging Asian Markets and, India remains a favoured destination for several large Investors and this is good news. The results in general have been encouraging and we expect the market to be buoyant

Directors

In accordance with the provisions of Section 255 of The Companies Act, 1956 and Article 100 of the Articles of Association of the Company, Smt.Pramila Maheshwari and Shri R.N.Joshi retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

Auditor's Report

The observations made in the Auditor's Report, read together with the relevant notes thereon are self explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

Auditors

M/s. Ramkishore Jhavar & Associates, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Accordingly the said Auditors can be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting.

Listing Arrangements

The Company's shares are listed on "The BOMBAY STOCK EXCHANGE LIMITED".

The Company has paid up to date annual listing fee of the Stock Exchange

Public Deposits

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

Insurance

Adequate Insurance cover has been taken for properties of the Company.

Statutory Information

- (A) Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, Information under section 217(1)(E) of the Companies Act, 1956.

The Company is not required to furnish information in Form A under the head 'Conservation of Energy' under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The Company uses electric energy for its equipments such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken for economic consumption and to conserve the same. Technologically updated UPS Systems have also been installed for proper service support.

During the year under review, the Company does not have any Foreign Exchange earnings or outgo.

- (B) Particulars of Employees

Pursuant to provisions of Section 217(2A) of the Companies act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, none of the employee of the Company has been paid remuneration exceeding Rs.24.00 Lacs per annum or part thereof.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- ◆ in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ◆ appropriate Accounting Policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the said period;
- ◆ proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ◆ the Annual Accounts have been prepared on the basis of a going concern.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. Your Directors affirm to the requirements set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed stipulation.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

The requisite certificate from the Auditors of the Company, M/s. Ramkishore Jhawar & Associates, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

A Cash Flow Statement for the Financial Year 2009-10 of the Company is attached to the Balance Sheet.

Depository System

The Company's shares are available for trading in depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services India Limited (CDSL).

As on 22nd May, 2010 a total of 4842909 Equity shares of the Company, which forms 96.86% of the Share Capital of the Company, stands dematerialized.

Acknowledgement

The Board of Directors wish to place on record its appreciation for the extended co-operation and assistance rendered to the Company and acknowledge with gratitude the continued support extended by the investors, clients, business associates and bankers. The regulatory authorities have also put Indian Capital market on par with other international Markets. Your Directors also acknowledge the full fledged cooperation and dedicated efforts put in by the employees across all levels in the organization and place on record its appreciation for the services rendered.

By Order of the Board of Directors of
CIL SECURITIES LIMITED

K.K.MAHESHWARI
Chairman & Managing Director

Registered office
214, Raghava Ratna Towers
Chirag Ali lane, Abids,
Hyderabad-500 001
Hyderabad
Date: 29/05/2010

Report on Corporate Governance

Corporate Governance is based on the principles of Integrity, Fairness, Equity, Transparency, Accountability and Commitment to Values. Good governance practice stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the center stage.

Keeping in view the CIL's Corporate Traditions, it endeavours to implement the best Corporate Governance practices by adhering to the well-defined Policy framework.

The Company continuously reviews its policies and practices of Corporate governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also to implement the best international practices of Corporate Governance, in the overall interest of all the stakeholders.

The Company recognizes that Good Corporate Governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all the stakeholders.

The Company's Governance framework is based on the following main principles:

- ◆ Constitution of a Board of Directors of appropriate composition, size and commitment to discharge its responsibilities and duties.
- ◆ Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- ◆ Independent verification and safeguarding integrity of the Company's financial reporting.
- ◆ A sound system of risk management and internal control.
- ◆ Timely and balanced disclosure of material information concerning the Company to its stakeholders.
- ◆ Transparency and accountability.
- ◆ Compliance with the applicable laws and regulations.
- ◆ Fair and equitable treatment of its employees, customers, shareholders, investors and other stakeholders.

In accordance with the Listing Agreement with the Stock Exchange (Clause 49) and some of the best practices followed internationally on Corporate Governance, a report

containing the details of governance systems and processes at CIL SECURITIES LIMITED is as under:

1. Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all interactions with its stakeholders including shareholders, employees, lenders, Government and society at large.

The Company is committed to achieve and maintain the highest international Standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing shareholder value over a sustained period of time.

2. Board of Directors

Composition of the Board

As on 31st March, 2010, the Board of Directors consists of 7 Directors viz., Five Non-Executive Directors (Out of which four are Independent Directors) One Managing Director and an Executive Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement which stipulates that : (i) Not less than 50% of the Board of Directors should comprise of Non-Executive Directors; and (ii) where the Chairman of the Board is a Non-Executive Director not related to the promoter group, at least one third of the Board should comprise of Independent Directors.

The routine affairs of the Company is managed by the Chairman and Managing Director and is assisted by the Executive Director of the Company. The Board approves, reviews and oversees the functions of the Management to ensure that the long-term objective of maximizing profits and enhancing stakeholders' value is achieved.

The brief profile of your Company's Board of Directors is as under:

- (i) **Shri K.K.Maheshwari** is a graduate in Commerce and has experience in the line of investments activity and has more than 22 years of experience. He is the Promoter Director of the Company and has been associated with Company's development and diversification plans. He has experience in Merchant Banking; Registrar & Share Transfer Agents, Stock Broking Activity and other diversified financial activities.

He is a Member of the Shareholders'/Investor Grievance Committee of the Company.

Shri K.K.Maheshwari holds 1072700 Equity shares of the Company representing 21.45 percent of the paid up share capital as on 31st March, 2010.

He is the Chairman and Managing Director of the Company.

- (ii) **Shri Piyush Modi** is a graduate in Commerce and is having more than 13 years of experience in Financial services and Capital Market Operations.

Shri Piyush Modi holds 500 Equity shares of the Company representing 0.01 percent of the paid up share capital as on 31st March, 2010.

He is the Executive Director of the Company.

- (iii) **Smt Pramila Maheshwari** is a graduate in Commerce and has experience in Capital Market operations of more than 18 years.

She is Chairperson of the Shareholders'/Investor Grievance Committee of the Company.

Smt Pramila Maheshwari holds 421000 Equity shares representing 8.42 percent of the paid up share capital as on 31st March, 2010.

She is the Promoter Director of the Company.

- (iv) **Shri M.P Murthy** is a B.A. M.Sc., M.S. (Eng) .He is a Management Consultant having more than four decades of experience in all the areas of Management.

He is a Member of the Audit Committee and Remuneration Committee of the Company.

Shri M.P.Murthy does not hold any shares of the Company as on 31st March 2010.

He is an Independent & Non Executive Director of the Company.

- (v) **Shri S.N.Kanchal** is a B.Sc (Agr) and was associated with Cement Industry and Sugar Industry for over 20 Years in Top Management Cadre and has held important positions in the manufacturing industry.

He is Chairman of the Remuneration Committee and member of the Audit Committee of the Company.

Shri S.N.Kanchal does not hold any shares of the Company as on 31st March 2010

He is an Independent & Non Executive Director of the Company.

- (vi) **Shri V.B.Purnaiah** is a B.A, M.B.A and has experience of more than Four decades having been associated in the top management cadre.

He is Chairman of the Audit Committee and member of Shareholders'/Investor's Grievance Committee and Remuneration Committee of the Company.

Shri V.B.Purnaiah holds 700 Equity shares representing 0.01 percent of the paid-up capital of the Company as on 31st March, 2010.

He is an Independent & Non Executive Director of the Company.

- (e) **Shri Ram Nivas Joshi** is a Commerce Graduate and has more than four decades of experience in Insurance Industry. He has held important executive position in the Insurance Company.

Shri R.N.Joshi does not hold any shares of the Company as on 31st March 2010

He is an Independent & Non Executive Director of the Company

3. Board Meetings, its Committee Meetings and Procedures.

(a) Institutionalized Decision Making Process

With a view to institutionalize corporate affairs and set up systems and procedures for advance planning for matters requiring discussions/decisions by the Board, the Company has defined Guidelines for the meeting of the Board and the Committee thereof. These Guidelines seek to systematize the decision-making process at the meeting of the Board/Committees in an informed and efficient manner.

(b) Scheduling and selection of Agenda Items for Board Meetings

- (i) Minimum four Board Meetings are held every year, which are prescheduled. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

<p>(ii) All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval/ decision at the Board / Committee meetings.</p>	<ul style="list-style-type: none"> • Proposals for investment, mergers and acquisitions. • Recommendation / declaration of dividend. • General notices of interest of Directors. • Terms of reference of Board Committees.
<p>(iii) The Information placed before the Board includes:</p>	<p>(iv) The Chairman of the Board and the Compliance Officer in consultation with the other concerned team members of the senior management, finalize the agenda papers for the Board Meetings.</p>
<ul style="list-style-type: none"> • Business plans, capital budgets and any updates. • Quarterly results of the Company. • Minutes of the Meetings of the Audit Committee and other Committees of the Board, and also resolution passed by circulation. • The information on recruitment and the remuneration of senior officers. • Materially important show cause, demand, prosecution and penalty notices. • Delegation of administrative powers/authority to the management. 	<p>(c) Board Material : In the defined formats Agenda and Notes on Agenda are circulated to the Directors in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where any document to the Agenda, are not attached the same is tabled before the meeting with specific reference in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are added on permission.</p>
<ul style="list-style-type: none"> • The information on financial obligation and disciplinary action. • Any issue, which involves possible public liability claims of substantial nature, including any judgment or order / strictures passed on the conduct of the Company or any adverse view etc. • Enterprise that may have negative implications on the Company • Significant employees problems and their proposed solutions. Any significant development in Human Resources. 	<p>(d) Recording Minutes of proceedings at Board and Committee meetings : Draft minutes are circulated to all the Members of the board /Committee for their comments. The final minutes are entered in the Minutes book within 30 days from the conclusion of the meeting.</p>
<ul style="list-style-type: none"> • Compliance of regulatory, statutory or listing requirements and shareholders services. • Major Accounting provisions. • Quarterly summary of all long term borrowings made, bank guarantees issued and investments made. • Status of the business risk exposures, its management and its related action plans. • Making investments of surplus funds. 	<p>(e) Post Meeting Follow-up Mechanism : The Guidelines for the Board and the Committee Meetings facilitate in effective post meeting follow-up, review and reporting process for the decision taken by the Board and the Committees thereof. Action taken report / appraisal on the decisions and minutes of the previous meeting of the Board /Committee is put for noting before the Board/ Committee.</p> <p>(f) Compliance : The Compliance Officer while preparing the Agenda, Notes on Agenda, Minutes etc. of the Meeting (s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.</p>

4. Attendance of Directors of Board Meetings and number of other Directorship(s) and Chairmanship(s)/ Membership(s) of Committees of each Director in various companies.

Name of the Director	Category	Attendance at Board meetings during 2009-10		No. of other Directorship(s)* Held as on 31.03.2010	No. of Membership(s)/ Chairmanship(s) Committees of other Companies**	
		Board Meetings	Previous AGM		Membership (s)	Chairmanships
Shri K.K.Maheshwari	Executive & Promoter	5	Yes	4	1	0
Shri Piyush Modi	Executive	5	No	0	0	0
Smt Pramila Maheshwari	Non-Executive & Promoter	5	Yes	2	0	1
Shri M.P Murthy	Non-ExecutiveIndependent	5	Yes	4	2	3
Shri S.N.Kanchal	Non-ExecutiveIndependent	5	Yes	1	2	0
Shri V.B.Purnaiah	Non-ExecutiveIndependent	5	Yes	0	1	1
Shri Ram Nivas Joshi	Non-ExecutiveIndependent	5	No	0	0	0

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

** Represents Membership(s)/Chairmanship(s) of the Audit Committees and Shareholders/Investor Grievance Committees of CIL Securities Limited and of other Companies.

5. Number of Board Meetings held and the dates on which held

Total Five Board Meetings were held during the year. The Company has held at least one Board Meeting in every three months and the maximum time gap between any two meetings was not more than four months. The details of the Board Meetings are as under:

Sl.No.	Date	Board Strength	No. of Directors Present
1.	25 th April 2009	7	7
2.	13 th June 2009	7	7
3.	30 th July 2009	7	7
4.	30 th October 2009	7	7
5.	29 th January 2010	7	7

6. Board Committee

Details of the committees of the Board and other related information as provided hereunder:

(a) Audit Committee :

The role and powers of the Audit committee are as per the guideline of clause 49 set out in the Listing Agreement with the Stock Exchange. The committee also acts as a link between the statutory and internal auditors and the Board of Directors. The Committee meets the statutory auditors periodically and reviews the financial statements, Annual financial statements, Auditors Report thereon and discusses their findings and suggestions and seeks clarifications thereon. The committee reviews the management and the financial statements before submitting the report to the board.

The Audit committee comprises of the following Non Executive and Independent Directors:

1. Shri V.B Purnaiah (Chairman)
2. Shri M.P Murthy
3. Shri S.N Kanchal

The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said Meeting are as under:

S.No	Dates on which Audit Committee Meeting was held	Attendance at the Meeting		
		Shri V.B Purnaiah	Shri M.P Murthy	Shri S.N Kanchal
1	13 th June 2009	Attended	Attended	Attended
2	30 th July 2009	Attended	Attended	Attended
3	30 th October 2009	Attended	Attended	Attended
4.	29 th January 2010	Attended	Attended	Attended

The Statutory Auditor was present in all the meetings. Managing Director / Presidents were also invited to attend the Meetings.

(b) Remuneration Committee :

The Remuneration Committee recommends the Company policy on all elements of remuneration of all the Directors i.e Salary, Benefits, Bonus, Stock Options, Pension, Performance linked incentives, Service contracts, Notice period, and Severance fee.

The Remuneration Committee comprises of the following members:

- Shri S.N.Kanchal (Chairman)
Shri V.B.Purnaiah
Shri M.P Murthy

The dates on which the Remuneration Committee Meetings were held and the attendance of the Members at the said Meeting are as under:

S.No	Dates on which Remuneration Committee Meeting was held	Attendance at the Meeting		
		Shri S.N Kanchal	Shri M.P Murthy	Shri V.B Purnaiah
1	13-06-2009	Attended	Attended	Attended

Remuneration Policy and Remuneration of Directors

Subject to the recommendation of Remuneration Committee and approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Managing /Executive Directors are paid remuneration as per the Agreements entered into between them and the Company. The remuneration structure of the Managing/Executive Directors comprises of salary, commission, performance incentives, perquisites and allowances, contribution to Provident Fund and Gratuity. The details of salary, commission and perquisites (including contribution to Provident Fund/Superannuation Fund) paid/payable for the financial year ended March 31st 2010 to them is as under.

Name & Designation	Sri K.K Maheshwari (Managing Director)	Sri Piyush Modi (Executive Director)
Salary	Rs.1314057/-	Rs.600000/-
Perquisites	Rs.52168/-	-
TOTAL	Rs. 1366225/-	Rs.600000/-

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees of Rs 750/- per meeting of the Board and Committees. The total amount of sitting fees paid during the year is Rs 27750/-

(c) Share Transfer/Investor Grievance Committee

The Share Transfer/Investor Grievance Committee comprises of the following members:

1. Smt Pramila Maheshwari (Chairperson)
2. Sri K.K Maheshwari
3. Sri V.B Purnaiah

During the year 2009-10, details of complaints received from shareholders/ investors regarding transfer of shares non-receipt of declared dividends etc. are given below:

Nature of Complainants	Number of Complainants received	Number of Complainants redressed.
Non-receipt of dividends	—	—
Non-receipt of shares lodged for transfer	—	—
Others (Revalidation)	4	4
Total	4	4

All complaints have been resolved and there are no outstanding complainants as on 31st March 2010. No. of Shares pending for transfer-Nil

Name and Designation of the Compliance Officer

Shri K.K. Maheshwari - Chairman Cum Managing Director

7. General Body Meetings

Details of the last three Annual General Meetings of the Company are as under:

Year	AGM/ EGM	Location	Date	Time
2008-2009	AGM	Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6-841, Red Hills, Hyderabad – 500 004	22 nd August 2009	11:00 AM
2007-2008	AGM	Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6-841, Red Hills, Hyderabad – 500 004	26 th September 2008	11:00 AM
2006-2007	AGM	Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6-841, Red Hills, Hyderabad – 500 004	21 st September 2007	11:00 AM

Special Resolution passed in the previous three AGM's :-
Year Special Resolution passed

2008-09 No Special Resolution was passed.

2007-08 No Special Resolution was passed.

2006-07 Reappointment of Shri Piyush Modi as the Executive Director w.e.f 1st April, 2008 to 31st March, 2013
 Implementing of ESOP Scheme under the title "CIL Securities Limited Employee Stock Option Scheme-2007"

No Special Resolution requiring a Postal Ballot was passed in the last three years or is being proposed at the ensuing Annual General Meeting.

8) Disclosures:

- a) Disclosures on materially, significant related party transactions:

The required disclosures of related party transactions as per the applicable Accounting Standards are disclosed in the Notes to the Accounts. There are no transactions of material nature with the related parties, which may have potential conflict with the interest of the Company at large.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years :

The Company has complied with the requirements of Regulatory Authorities of Capital Markets. Corrective measures have been taken whenever penalties have been imposed by Stock Exchanges in routine matters.

- c) The Company has always encouraged and supported "ethical business practices" in personal and corporate behavior by its Directors and employees. The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company, in addition to that a special Code of Conduct for dealing in equity shares and other listed securities of the company is also in place.

- d) Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

9) Non-Mandatory Requirements:

(i) The Board

There is no formal policy in the Company for determining the tenure of independent Directors.

(ii) Shareholders Rights

Quarterly, Half Yearly Financial Results including summary of the significant events are sent to the Exchange for proper disclosure to investors.

iii) Audit Qualifications

There is no Audit Qualification. Every endeavor is made to make the financial statements qualification free.

(iv) Training of Board Members

Considering the nature and risk profile of the business of the Company vis-à-vis professional standing/business experience of the Board Members are eminently competent to discharge their duties.

(v) Mechanism for evaluating non-executive Board Members

There is no policy framed for evaluation of non-executive Directors

(vi) Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place mechanism for reporting illegal or unethical behaviour. Employee may report violations of law, rules, regulations or unethical conduct to their immediate supervisor / notified person. Adequate caution is exercised in this respect.

10) Means of Communication:

The un-audited quarterly/half yearly results were announced within one month of the end of the quarter/half year and the audited annual results within 2 months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchange. For the Financial Year 2009-10, the audited annual results have been announced on 29th May, 2010. During the Financial Year 2009-10 Company has declared and filed Periodical un-audited quarterly results with Stock Exchange. Periodical Limited Review Report by the Auditor was also filed on time. The Company announces the audited results within the stipulated period of three months as required by the Listing Agreement with the Stock Exchange.

The aforesaid financial results are taken on record by the Board of Directors in the Performa prescribed in the Listing Agreement, and are communicated to all the Stock Exchanges where the shares of the Company are listed/traded.

11) General Shareholder Information :

Company Registration Details. The Company is registered in the State of Andhra Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by Ministry Of Corporate Affairs (MCA) is **L67120AP1989PLC010188**

Annual General Meeting Tuesday, 28th Day of September, 2010 at 11.00 A.M At Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6—841, Red Hills, Hyderabad - 500 004.

Date of Book Closure Thursday, 23rd September 2010 to Tuesday, 28th September, 2010 (Both days Inclusive)

Dividend Payment Date On or after 28th September, 2010 (Provided dividend is declared in the AGM).

Financial Calendar for 2010-11

Financial Year	1 st April to 31 st March
Results for the quarter ending 30 th June, 2010(tentative)	By mid of August, -2010
Results for the Quarter/Half Year Ending 30 th September, 2010(tentative)	By mid of November, 2010
Results for the quarter ending 31 st December, 2010(tentative)	By mid of February, 2011
Results for the year ending 31 st March, 2011(tentative)	Within two months from the end of last quarter as stipulated under Listing Agreement with the Stock Exchange

Listing of Equity Shares

Name of Stock Exchange	Address	Stock Code	ISIN No.
The Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001	530829	INE830A01012

Payment of Listing Fees

Annual Listing Fee for the year 2010-11 has been paid by the company to the BSE.

Company : CIL SECURITIES.LTD. (530829)

Period (Apr 2009 to March 2010)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								High-Low	Close-Open
Apr 09	10.50	12.37	10.00	11.28	2,87,204	88	32,58,263	2.37	0.78
May 09	11.31	19.74	11.31	18.67	30,728	173	4,92,872	8.43	7.36
Jun 09	19.40	23.30	15.55	17.60	33,655	154	6,85,010	7.75	-1.80
Jul 09	17.00	20.70	16.45	17.10	11,196	71	2,02,283	4.25	0.10
Aug 09	17.60	20.00	17.60	19.50	16,619	81	3,12,145	2.40	1.90
Sep 09	19.25	19.30	16.15	17.95	25,012	106	4,41,099	3.15	-1.30
Oct 09	17.15	18.90	15.30	15.30	6,305	77	1,06,999	3.60	-1.85
Nov 09	14.60	18.20	14.60	17.85	5,920	48	97,606	3.60	3.25
Dec 09	17.00	19.95	16.35	17.25	11,513	92	2,10,435	3.60	0.25
Jan 10	18.00	24.35	18.00	18.45	24,108	133	4,87,071	6.35	0.45
Feb 10	19.35	23.60	19.35	21.20	7,622	62	1,61,344	4.25	1.85
Mar 10	20.25	20.25	16.45	16.45	8,790	31	1,66,841	3.80	-3.80

*(Source: BSE websites)

Registrar and Share Transfer Agent

The Company being SEBI Registered Category I Registrar and Share Transfer Agent; its RTA Department carries on the Share Transfer and related activities in house.

Share Transfer System and other related matters

Presently the Share transfers which are received in Physical form are processed and the share certificates are returned within a period of 30 days from the date of the receipt, subject to the documents being valid and complete in all respects. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the Certificate with the Stock Exchanges.

DISTRIBUTION OF SHARE HOLDING CATEGORY WISE (as on March 31, 2010)

No. of Equity shares held	No. of shareholders	Percentage of shareholders	No. of shares held	Percentage of shareholding
1 - 500	701	74.10	154044	3.08
501 - 1000	124	13.11	108664	2.17
1001 - 2000	63	6.66	95718	1.91
2001 - 3000	20	2.11	51542	1.03
3001 - 4000	5	0.53	18183	0.37
4001 - 5000	5	0.53	24006	0.48
5001 - 10000	6	0.63	45926	0.92
10001 & Above	22	2.33	4501917	90.04
	946	100.00	5000000	100.00

SHARE HOLDING PATTERN (as on March 31, 2010)

Sl.No.	Category	No. of Shares	% of shares
1.	Promoters' Holding	3068501	61.37
2.	Corporate Bodies	1234364	24.69
3.	Individuals/others	688630	13.77
4.	Mutual Funds/ Banks/Financial & Govt. Institutions	Nil	Nil
5.	FII's/NRIs/OCBs	8505	0.17
TOTAL		5000000	100.00

Dematerialization of Shares and Liquidity

The Company's shares are available for trading in depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on 31st March, 2010 a total of **4842009** Equity shares of the Company, which forms **96.84 %** of the share capital of the Company, stands dematerialized.

Address of Correspondence

For any assistance regarding dematerialization of shares, share transfer, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to

CIL Securities Limited

214, Raghava Ratna Towers, Chirag Ali Lane,
Abids, Hyderabad-500 001.

Tel No. 040-23203155

Fax No. 040-23203028

An exclusive e-mail ID, complaints@cilsecurities.com for redressal of investor complaints has been created and the same is available on our website www.cilsecurities.com

12) CEO/CFO Certification :

To,
The Board of Directors,
CIL Securities Limited.

Dear Sirs,

CEO/CFO Certification

- (a) I have reviewed the financial statements and the cash flow statement of the Company for the financial Year ended 31st March 2010 and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into, by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 purpose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the audit Committee:
- i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting

K.K.MAHESHWARI
MANAGING DIRECTOR

Place : Hyderabad

Date: 29th May 2010

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All members of the Board and Senior Management Personnel of the Company have affirmed due observance of the code of conduct, framed pursuant to clause 49 of the Listing Agreement with Stock Exchanges in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2010.

K.K.MAHESHWARI
MANAGING DIRECTOR

Place : Hyderabad

Date: 29th May 2010

Management Discussion and Analysis Report**Industry Structure & Developments**

The Company is a Corporate Member of the National Stock Exchange of India Limited (NSE) in the Capital Market, Future & Option and Currency Derivative Segments and the Bombay Stock Exchange (BSE) in the Capital Market Segment and the Company is a DP on CDSL and DR on CDSL and NSDL.

The Company follows all the rules and regulations of the respective exchange and depositories and of SEBI.

Opportunities and Threats

The Company being a player in the Financial market, the performance of the Company largely depends on the National and Global Capital Markets. The High volatility in the market along with higher inflation has intensified the competition. Your Company continues to achieve cost effectiveness through the application of technology. We have been fashioning our own responses to these challenges and we believe that we can turn them into opportunities, which can unlock growth for us in the future.

Opportunities

- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation by all the class of investors
- Leverage technology to enable best practices and process.

Threats

- Execution Risk
- Slowdown in global liquidity flows
- Intense competition from local and global players.
- Unfavorable economic conditions

Macro-economic and industry developments

The Stock Market has been revolutionized by adopting modern technology, as the exchanges are now able to reach out to the far flung centers of the country with an efficient trading network for the benefit of retail customers. The Capital Market is most efficient when it discounts all informations in pricing of traded equity stocks. The maturity of the Stock Market has made it increasingly less risky through built-in information system made available to the participants over and above supervisory oversight. The ongoing efforts for further broadening and deepening of the Stock Market domestically and aligning the market with global trading system is not only expanding the customer base but also attracting more resources for investments.

The Indian broking industry is one of the oldest trading industries that have been around even before the establishment of the BSE in 1875. Despite passing through a number of changes in the post liberalization period, the industry has found its way towards sustainable growth.

The financial markets have been classified as cash market, derivatives market, debt market and commodities market. Cash market, also known as spot market, is the most sought after amongst investors. The sustained growth of the economy in the past couple of years has resulted in offering many diversified services related to IPOs, mutual funds, Company research etc. However, the core trading activity is still the

predominant form of business, forming 90% of the trading volume.

The fragmented nature of the industry, coupled with increasing competition from large players in the retail and institutional broking side is likely to exert pressure on broking houses, hence the ability to maintain market share, margins and consequently, return ratios stands as a big question mark. Moreover, declining market turnover due to dwindling retail and institutional investor participation, significant correction in stock prices, dismal investment banking outlook and a worsening macroeconomic scenario do not bode well for brokerage firms.

Challenges, Risk, Concern

The Company faces normal business challenges of market competition in its business and needs to continuously seek attractive growth opportunities. The Company adopts suitable business strategies to counter these challenges.

As a part of the overall risk management strategy, the Company consistently insures its assets and generally follows a conservative financial profile by following prudent business practices.

Segment Wise or Product Wise Performance

The Company carries on Stock Broking which is its core activity, besides undertaking other Capital Market activities. The segment wise performance of the Company is as under:

(Rs. in Lakhs)

SEGMENT	GROSS INCOME	
	31.03.2010	31.03.2009
Securities Dealings & Broking	614.27	477.55
Merchant Banking & Consultancy	10.47	108.12
Registrar & Share Transfer Agent	34.08	50.54
Demat & Depository	14.54	18.10

Internal Control System and their adequacy

The Company has a proper and adequate internal control system commensurate with its size and nature of business to meet the following objectives:-

Providing assurance regarding the effectiveness and efficiency of operations;

Efficient use and safeguarding of resources;

Compliance with policies, procedures and applicable laws and regulations; and

These systems are IT enabled which facilitate effective checks and tight monitoring of all parameters and control on continuous basis.

The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggest improvements for strengthening them from time to time.

Risk assessment reports received from various departments are reviewed periodically and steps are initiated for elimination whenever needed.

Human Resource Development

The Company has a group of able and experienced employees. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees and provides personal development opportunities for all round exposure to them.

Auditors' Certificate on Corporate Governance

To the Members

CIL SECURITIES LIMITED

We have examined the compliance of conditions of Corporate Governance by CIL Securities Limited, for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For Ramkishore Jhawar & Associates
Chartered Accountants
(Firm No. 003016S)

Place:Hyderabad

Date: 29/05/2010

CA Ramkishore Jhawar
Proprietor
M.NO. 27970

AUDITORS' REPORT

TO THE MEMBERS OF CIL SECURITIES LIMITED

1. We have audited the attached Balance Sheet of CIL SECURITIES LIMITED as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 assessing the accounting principles used and significant estimates made by the 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 (Auditors' Report) Order, 2003 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 to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b) In our opinion, the Company as required by Law has kept proper books of Accounts so far as it appears from the examination of such books.
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow statement comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956
5. On the basis of written representations received from the Directors as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified from being appointed as Directors of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 as on 31.03.2010.
6. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with the notes thereon give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - (ii) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For RAMKISHORE JHAWAR & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm No. 003016S)

CA RAMKISHORE JHAWAR
PROPRIETOR
M.NO. 27970

PLACE: HYDERABAD
DATE: 29/05/2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (d) of our Report of even date.

- I) a) The Company has maintained Proper records showing full particulars including quantitative details of Fixed Assets.
- b) All the Fixed Assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
- c) As per the information and explanations given to us, during the year, the Company has not disposed off any substantial Fixed Assets that would effect the going concern.
- II) The Stock of Shares & Securities has been physically verified by the management at reasonable intervals. In our opinion, and according to the information given to us, the procedure for physical verification of Stock of Shares & Securities followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion the Company is maintaining proper records of Stock of Shares & Securities and no material discrepancies were noticed on physical verification.
- III) a) The Company has not granted or taken loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- b) As the Company has not granted or taken any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Act, clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- IV) In our opinion and according to the information given to us, there are adequate Internal Control procedures commensurate with the size of the Company and nature of its business with regard to purchase of equipment and other assets.
- V) a) Based on the audit procedure applied by us and according to information and explanations given to us, the particulars of contracts or arrangements, referred 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 explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI) The Company has not accepted deposits from public and hence directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable for the year under audit.
- VII) The Company is having adequate Internal Audit System.
- VIII) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.
- IX) a) According to the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Protection Fund, Income Tax, and other statutory dues.
- b) According to information and the explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31.03.2010 for a period of more than six months from the date they became payable.
- c) According to information and the explanations given to us, there are no such statutory dues, which have not been deposited on account of any disputes.
- X) The Company neither has accumulated losses nor it has incurred any cash losses during the current financial year and the immediately preceding financial year.
- XI) Based on our Audit procedures and the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to any Financial Institutions or Banks.
- XII) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- XIII) The Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society.
- XIV) The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures, and other securities and timely entries have been made therein. The investments are held by the Company in its own name except for certain shares which are lodged for transfer or are pending for rectification of bad deliveries or are pledged with banks and financial institutions on behalf of third parties.
- XV) The Company has not given any guarantee for loans taken by other from bank or financial institutions.
- XVI) According to the information and explanations given to us, the Company has not applied/availed any term loan during the year.
- XVII) During the year covered by our report the Company has not raised funds on short term basis.
- XVIII) During the year Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- XIX) The Company has not issued any debentures and hence clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- XX) During the year covered by our report the Company has not raised any money by way of public issue.
- XXI) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

PLACE: HYDERABAD
DATE: 29/05/2010

For RAMKISHORE JHAWAR & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm No. 003016S)

CA RAMKISHORE JHAWAR
PROPRIETOR
M.No. 27970

CIL SECURITIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
SOURCES OF FUNDS :			
Shareholders Funds:			
Share Capital	A	50000000	50000000
Reserves & Surplus	B	117177418 167177418	109973252 159973252
Loan Funds		0 167177418	0 159973252
APPLICATION OF FUNDS :			
Fixed Assets	C	46568053	45804295
Less: Depreciation		33472694	31028144
Net Block		13095359	14776151
Investments	D	23536148	29080165
Current Assets Loans & Advances	E	173874820	155498370
Less: Current Liabilities & Provisions	F	42985361	38910446
Net Current Assets		130889459	116587924
Deferred Tax Liabilities		-343548	-470988
		167177418	159973252
Notes Forming Part of the Accounts	L		
Accounting Policies & Schedules A to F & L form integral Part of the Balance Sheet			

Vide our report of even dated

For Ram Kishore Jhawar & Associates

Chartered Accountants

(Firm No. 003016S)

For & on behalf of the board of directors of

CIL SECURITIES LTD

CA Ram Kishore Jhawar

Proprietor

M.No. 27970

PLACE: HYDERABAD

DATE: 29.05.2010

K.K. Maheshwari

Piyush Modi

Pramila Maheshwari

M.P. Murthy

V.B. Purnaiah

R.N. Joshi

S.N. Kanchal

Chairman & Managing Director

Executive Director

Director

Director

Director

Director

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
INCOME :			
Securities Dealings & Broking		61427247	47754996
Interest Income		2728611	3183717
Merchant Banking/Consultancy Fee		1047376	10812000
Registrar & Share Transfer Fee		3408228	5054334
Demat / Depository Fee		1453652	1810070
Other Income	G	578063	506751
		<u>70643177</u>	<u>69121868</u>
EXPENDITURE			
Employees Emoluments	H	12064413	11811817
Operating Expenses	I	31360583	39014929
Administrative and Other Expenses	J	9716665	9692620
Interest	K	10293	18071
Depreciation	C	3217124	3810584
		<u>56369078</u>	<u>64348021</u>
Profit before Tax		14274099	4773847
Less: Provision for Taxation(Net)		1347623	0
Less: Fringe Benefit Tax		0	211914
Add : Deferred Tax		127440	156622
Profit after Tax		13053916	4718555
Add : Balance from Previous Year		85285252	86916447
Available for Appropriation		<u>98339168</u>	<u>91635002</u>
Appropriations:			
Proposed Dividend		5000000	5000000
Corporate Dividend Tax		849750	849750
General Reserve		1300000	500000
Balance Carried to Balance Sheet		91189418	85285252
		<u>98339168</u>	<u>91635002</u>
Earnings Per Share		2.61	0.94
Notes Forming Part of the Accounts	L		
Accounting Policies & Schedules G to L & C			
form integral Part of the Profit & Loss A/c			

Vide our report of even dated

For Ram Kishore Jhawar & Associates
Chartered Accountants
(Firm No. 003016S)

For & on behalf of the Board of Directors of
CIL SECURITES LTD

CA Ram Kishore Jhawar
Proprietor
M.No. 27970
PLACE: HYDERABAD
DATE: 29.05.2010

K.K. Maheshwari
Piyush Modi
Pramila Maheshwari
M.P. Murthy
V.B. Purnaiah
R.N. Joshi
S.N. Kanchal

Chairman & Managing Director
Executive Director
Director
Director
Director
Director
Director

CASH FLOW STATEMENT

	Rs. in Lacs	
	Year Ended 31.03.2010	Year Ended 31.03.2009
A. CASH FROM OPERATING ACTIVITIES:		
Net Profit Before Tax and Extraordinary Items	142.74	47.74
Adjustment for Depreciation	32.17	38.11
Interest	-27.29	-31.84
Dividend	-40.27	-51.15
Operating Profit before Working Capital changes Adjustment for :	107.35	2.86
Trade and other receivables	-287.79	186.41
Trade payables	24.63	-338.96
Cash generated from operations	-155.81	-149.69
Direct Taxes paid	13.48	2.12
NET CASH IN FLOW FROM OPERATING ACTIVITIES	-169.29	-151.81
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	15.36	22.16
Net increase in Investments	-55.44	231.52
Interest Received	-27.29	-31.84
Dividend Received	-40.27	-51.15
NET CASH USED IN INVESTING ACTIVITIES	-107.64	170.69
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	-	-
Increase of Secured Loans	-	-
Decrease in Provisions	-16.12	39.05
Dividend Disbursement	58.50	58.50
NET CASH USED IN FINANCING ACTIVITIES	42.38	97.55
Net Increase in Cash & Cash Equivalents	-104.03	-420.05
Cash and Cash Equivalents as at 1st April 2009	585.46	1005.51
Cash and Cash Equivalents as at 31st March 2010	481.43	585.46

PLACE: HYDERABAD

DATE: 29th May 2010For & on behalf of the Board of Directors of
CIL SECURITIES LTDK.K.MAHESHWARI
(Chairman & Managing Director)

We have examined the attached Cash Flow Statement of CIL Securities Limited for the year ended 31st March 2010. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of 29th May 2010, to the Members of the Company.

PLACE: HYDERABAD

DATE: 29th May 2010For RAMKISHORE JHAWAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm No. 003016SCA RAMKISHORE JHAWAR
PROPRIETOR
M.No. 27970

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2010 Rs.	As At 31.03.2009 Rs.
<u>SCHEDULE "A" SHARE CAPITAL:</u>		
AUTHORISED:	60000000	60000000
6000000 Equity Shares of Rs.10/- each(previous year 6000000 Equity Shares of Rs.10/- Each)	<u>60000000</u>	<u>60000000</u>
ISSUED, SUBSCRIBED AND PAID UP:	50000000	50000000
5000000 Equity Shares of Rs.10/- Each(previous year 5000000 Equity Shares of Rs.10/- each)	<u>50000000</u>	<u>50000000</u>

SCHEDULE "B" RESERVES & SURPLUS

Nature of Reserve	Balance As at 01.04.2009	Additions during the Year	Balance As at 31.03.2010
Capital Reserve	28000	0	28000
General Reserve	24660000	1300000	25960000
Profit & Loss Account	85285252	5904166	91189418
	<u>109973252</u>	<u>7204166</u>	<u>117177418</u>

CERTIFIED TRUE COPY
FOR CIL SECURITIES LTD.
For CIL Securities Ltd.
Managing Director

SCHEDULE "C" : FIXED ASSETS

NOMENCLATURE	Gross Block			Depreciation			Net Block		
	As on	Additions	Deletions	As on	Upto	For The	Upto	As on	As on
	01.04.2009			31.03.2010	31.03.2009	Year	31.03.2010	31.03.2010	31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND & SITE DEVELOPMENT	990963	0	0	990963	0	0	0	990963	990963
OFFICE BUILDINGS	6283331	0	0	6283331	2298052	199264	0	2497316	3985279
FURNITURE & FITTINGS	5654192	55500	0	5709692	4402388	229189	0	4631577	1251804
OFFICE EQUIPMENTS	3243916	60750	0	3304666	2114139	161570	0	2275709	1129777
COMPUTER & DATA - PROCESSING EQUIPMENTS	17572709	1300646	800000	18073355	14671586	1175112	753894	15092804	2901123
COMPUTER SOFTWARE	5539532	166928	0	5706460	3888692	722076	0	4610768	1650840
ELECTRICAL INSTALLATIONS	75900	0	0	75900	21544	5634	0	27178	54356
VEHICLES	6443752	0	20066	6423686	3631743	724279	18680	4337342	2812009
TOTAL	45804295	1583824	820066	46568053	31028144	3217124	772574	33472694	14776151
PREVIOUS YEAR	44224155	2278521	698381	45804295	27852390	3810584	634830	31028144	16371765

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
SCHEDULE "D" INVESTMENTS:		
(Valued at Cost)		
Equity Shares (As per Annexure attached)		
In Other Companies		
Quoted	22336110	25480127
Unquoted	1200038	3600038
(Aggregate Market value of Quoted Investments Rs.266.01 Lacs (Previous Year Rs.215.24 Lacs)		
	23536148	29080165
SCHEDULE "E" CURRENT ASSETS, LOANS & ADVANCES		
A) Current Assets:		
Cash in Hand	90229	94461
Balance with Scheduled Banks		
Current Accounts	19568026	22677233
Fixed Deposit Accounts	28485031	35774111
(Kept as margin money with banks for guarantees issued by them)		
Sundry Debtors		
(Unsecured, Considered Good)		
More than six months	3191107	577210
Less than six months	34849125	22644077
Stock of Securities	63847451	52444980
Interest Receivable	4981637	4185873
Others	101296	495685
Deposits:		
Membership Deposit with NSE	5000000	5000000
Deposit for CD Segment - NSE	3500000	3500000
Deposit for Futures Segment - NSE	3300000	3300000
Deposit for VSAT	450938	630938
Deposit for CDSL	500000	500000
Deposit for Base Minimum Capital- BSE	250000	250000
Other Deposits	205000	250000
Total:(A)	168319840	152324568
B) Loans & Advances:		
Advance Tax And TDS	4864767	1808174
Advances to Others	224841	345935
Prepaid Expenses	375372	960193
Advance to Staff	90000	59500
Total:(B)	5554980	3173802
Total:(A) + (B)	173874820	155498370

Particulars	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
SCHEDULE "F" CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities:		
Sundry Creditors	31435596	31357034
Other Liabilities	2638723	253530
Total:(A)	34074319	31610564
B) Provisions:		
Provision for Taxation	1583228	88711
Provision for Gratuity	1478064	1361421
Proposed Dividend	5000000	5000000
Tax on Dividend	849750	849750
Total:(B)	8911042	7299882
Total:(A) + (B)	42985361	38910446

SCHEDULES FORMING PART OF THE PROFIT
AND LOSS ACCOUNT

Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
SCHEDULE "G" OTHER INCOME		
Profit on Sale of Fixed Assets	195707	38549
Miscellaneous Income	382356	468202
	578063	506751
SCHEDULE "H" EMPLOYEES EMOLUMENTS		
Employee's Remuneration	11008842	10799603
Staff Welfare Expenses	888651	645946
Training and Development Expenses	166920	366268
	12064413	11811817

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
<u>SCHEDULE "I" OPERATING EXPENSES</u>		
Demat/CDSL Charges	730238	616124
SEBI Charges	222949	411051
Share with Business Associates	13662498	8911451
Transaction Charges	3630314	6407299
Membership Fees	653464	497708
VSAT Charges	622421	538958
Securities Transaction Tax	9830046	19867863
Telephone & Internet Expenses	1000449	1119397
Bandwidth Charges	1008204	645078
	<u>31360583</u>	<u>39014929</u>
<u>SCHEDULE "J" ADMINISTRATIVE & OTHER EXPENSES</u>		
Bank Charges	1138672	1241498
Conveyance Expenses	170580	171655
Consultancy Charges	304610	250395
Computer Maintenance Expenses	394985	354053
Electricity Charges	1112976	1005946
Filing Fees	2800	2551
General Expenses	110066	136486
Insurance Charges	691516	735389
Office Maintenance	490965	435965
Printing & Stationery	321074	337084
News Paper & Periodicals	34645	41033
Rates & Taxes	124693	142443
Repairs & Maintenance - Vehicles	543686	627019
Repairs & Maintenance - Others	1653902	1261002
Travelling Expenses	639447	485623
Rent	925960	952972
Postage Expenses	289886	245771
Pooja/Festival Expenses	233967	105242
Payment to Auditors :		
Auditors Remuneration	90000	90000
Taxation Matters	50000	50000
Tax Audit Fee	60000	60000
Certification Fee	62000	79000
Out of Pocket Expenses	8741	3429
Advertisement Expenses	67107	37748
Share Transfer Expenses	5410	200
Directors Sitting Fees	27750	27750
R & T Misc. Expenses	161227	812366
	<u>9716665</u>	<u>9692620</u>
<u>SCHEDULE "K" INTEREST</u>		
Interest	10293	18071
	<u>10293</u>	<u>18071</u>

CIL SECURITIES LIMITED
ANNEXURE: DETAILS OF INVESTMENTS AS AT 31st MARCH, 2010

NAME OF THE SCRIP	Nos	As At 31.03.2010 Cost Price Rs.	Market value as on 31.03.2010	Nos	As At 31.03.2009 Cost Price Rs.	Market value as on 31.03.2009
A. IN OTHER COMPANIES (QUOTED)						
EQUITY SHARES						
ABB LTD	1000	416496	830000	1000	416496	426700
ACC	1000	563000	951050	1000	563000	574400
ANDHRA SUGAR	5287	660876	632589	0	0	0
ALLIDE DIGITAL	5000	1125002	1057000	0	0	0
AMBUJA CEMENTS	10000	689589	1198500	10000	689589	706000
BINANI CEMENT	10000	667487	754500	0	0	0
BHARTI ARTL	0	0	0	1000	601000	625750
CCL PRODUCTS	5000	1175002	1142750	0	0	0
COROMANDEL INTL	1000	221000	315350	0	0	0
CANARA BANK	1000	155000	410200	1000	155000	165700
DECCAN CHRON	0	0	0	10000	389768	471000
GUJ PETRONET	10000	917502	877500	0	0	0
GUJRATH NARMADA	10000	1452500	1124000	10000	1452500	604000
HPCL	4500	1608522	1433475	500	249737	134625
HINDUSTAN DORR	0	0	0	3000	127500	114000
INDIA CEMENT	10000	1059917	1317500	10000	1059917	1060000
IDFC	10000	553296	1609500	10000	553296	541000
JK LAKSHMI	0	0	0	11000	1072900	470800
JINDAL PHOTO	0	0	0	1000	187000	89800
LIC HOUSING FIN	0	0	0	2000	433976	448800
NATIONAL MINERAL	16700	5010000	4916480	0	0	0
MICRO TECH	5000	887334	942000	0	0	0
MAN IND	0	0	0	25000	804737	643750
MUDRA	0	0	0	72000	1008000	936000
NAV BHAR VEN	0	0	0	82000	13547778	11316000
PRADIP OVERSEAS	1056	119460	119460	0	0	0
RELANCE COM	3000	511366	509850	3000	511366	524550
SUBEX	10000	816002	602500	0	0	0
SANGHI POLY	31584	70518	70518	31584	70518	50534
SANGHI IND	5184	103680	119750	5184	103680	108346
SIEMENS	0	0	0	3000	678169	804300
TATA STL	3000	542850	1896150	3000	542850	617700
TATAMOTORS	500	261350	378850	500	261350	90150
VIMTA LAB	25000	899865	650000	0	0	0
ZUARI IND	4500	1848496	2741850	0	0	0
TOTAL (A)	189341	22336110	26601322	296768	25480127	21523905
B. IN OTHER COMPANIES (UNQUOTED)						
EQUITY SHARES						
CANARA SECURITIES LIMITED	300000	1200038		300000	1200038	
CIL INDUSTRIES LIMITED	0	0		240000	2400000	
TOTAL (B)	300000	1200038		540000	3600038	
GRAND TOTAL (A+B)	489341	23536148		836768	29080165	

Vide our report of even dated
For Ram Kishore Jhawar & Associates
Chartered Accountants
(Firm No. 003016S)

**For & on behalf of the Board of Directors of
CIL SECURITIES LTD**

CA Ram Kishore Jhawar
Proprietor
M.No. 27970
PLACE: HYDERABAD
DATE: 29.05.2010

K.K. Maheshwari
Piyush Modi
Pramila Maheshwari
M.P. Murthy
V.B. Purnaiah
R.N. Joshi
S.N. Kanchal

Chairman & Managing Director
Executive Director
Director
Director
Director
Director
Director

**SCHEDULE – 'L' - NOTES FORMING PART OF THE ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES**
• GENERAL

The accompanying financial statements is in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956 (The Act).

• REVENUE RECOGNITION

Income is accounted for on Accrual Basis. In appropriate circumstances Income is recognised when no significant uncertainty as to measurability or collectability exist. However, Dividend Income is accounted for on receipt basis.

• EXPENSES

The Company provides for all expenses on Accrual Basis. Material known liabilities for expenses are provided for on the basis of available information / estimates.

• FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation and impairment losses where applicable. Cost comprises purchase price and all direct/indirect costs incurred to bring the asset to its working condition for the intended use.

• DEPRECIATION

The Company provides depreciation on Written Down Value method on pro-rata basis at the rate specified in Schedule XIV to the Companies Act, 1956.

• INVENTORIES

Stocks are valued at Cost or Market Value whichever is lower.

• INVESTMENTS

Investments are valued at Cost. Diminution in value is provided for where the management is of the opinion that the diminution is of permanent nature.

• RETIREMENT BENEFIT

Company's contribution to Provident Fund & Family Pension Fund are statutorily deposited with the Government and charged to Profit & Loss A/c. For eligible employees year end liability on account of Gratuity under the payment of Gratuity Act 1972 is provided for on accrual basis as at Balance Sheet date.

• INCOME TAX

Income tax have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses.

• DEFERRED TAXATION

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted as on the Balance Sheet Date. Deferred tax assets relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The deferred tax account is used for reversing timing difference as and when crystallized.

• EXCHANGE TRANSACTIONS

Exchange transactions have been recorded to coincide with transaction obligation within the financial year.

• NOTES TO THE ACCOUNTS

1. In the opinion of the Directors, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of the business.
2. Employee's Emoluments includes Remuneration to Wholetime Directors amounting to Rs. 19.66 Lacs. (Previous Year: Rs.19.67 Lacs)
3. Computation of net profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956 for MD: -

Rs. in Lacs

PARTICULARS	March 31,2010	March 31,2009
Profit before Taxation	142.74	47.74
Add : Managerial Remuneration	19.66	19.67
Add : Directors Sitting Fees	0.28	0.28
Less : Profit on sale of Fixed Assets	-1.96	-0.39
Less : Extra Ordinary Items	0	-2.54
Net profit as per Section 198 of the Companies Act, 1956	160.72	64.76
Remuneration payable:		
Minimum / @ 5% of the above profits to the Managing Director	8.04	3.24
Managerial Remuneration comprises:		
Salary and Allowances	12.99	12.99
Medical Reimbursement	0.14	0.25
Perquisites	0.53	0.43
Commission	-	-
Total:	13.66	13.67

4. Contingent Liabilities

- (i) These are disclosed by way of notes to the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the period end, till finalisation of Accounts and have material effect on the position stated in the Balance Sheet at the period end.
- (ii) There is a Contingent Liability in respect of Bank Guarantees issued to the NSCCL/BSE by Company's Bankers against which counter guarantees have been furnished for Rs. 1100 Lacs (Previous Year Rs.1100 Lacs)
- (iii) Claims against the company not acknowledged as debts Rs. 2.35 Lacs (Previous Year Rs. 5.00)

5. Sundry Creditors includes due to Group Companies Rs.Nil (Previous Year: Rs.Nil) Maximum amount outstanding at any time during the period were Rs. 222.00 Lacs (Previous Year: Rs 159.00 Lacs).
6. Travelling Expenses includes Rs5.33 Lacs for Directors (Previous Year Rs.3.88 Lacs).
7. The Business Segment has been considered as Primary Segment. The Company primarily operates in business segment i.e., Share and Stock broking and other related ancillary services. The Company operates in India and hence there are no reportable geographical segments.

8. Fixed deposits, Securities, and office Buildings Account have been assigned towards collateral/margin deposit to bank against guarantees issued by them.

9. The Deferred tax liability/assets comprises of the following:

(Rs.in Lacs)
As on 31.03.2010

(Rs.in Lacs)
As on 31.03.2009

- a) Deferred Tax Liability
Timing difference in depreciable assets
b) Deferred Tax Assets
Expenses allowable against taxable income in future years
Provision for Net Deferred Tax Liabilities

9.04

10.59

(5.60)

(5.88)

3.44

4.71

10. Segment Wise Performance

The company carries on Stock Broking which is its core activity, besides undertaking other capital market activities.

The segment wise performance of the company is as under:

(Rs. In Lacs)

Particulars	Year ended	
	31st March, 2010	31st March, 2009
Segment Revenue		
Securities Dealing and Broking	614.27	477.55
Merchant Banking / Consultancy	10.47	108.12
Registrar & Share Transfer Agents	34.08	50.54
Demat / Depository	14.54	18.10
Total	673.36	654.31
Less: Inter segment revenue	0.00	0.00
Net Turnover/ Income from Operations	673.36	654.31
Segment Results		
Securities Dealing and Broking	153.71	(15.23)
Merchant Banking / Consultancy	3.50	85.45
Registrar & Share Transfer Agents	9.82	16.60
Demat / Depository	3.98	5.60
Total	171.01	92.42
Less:		
i. Interest & Finance Charges	0.10	0.18
ii. Other un-allocable expenditure net off un-allocable income	40.38	44.50
Profit/Loss before Tax	130.53	47.74
Capital Employed		
Securities Dealing and Broking	1502.62	1435.48
Merchant Banking / Consultancy	6.75	6.25
Registrar & Share Transfer Agents	43.80	43.00
Demat / Depository	35.10	33.50
Total Capital Employed in Segments	1588.27	1518.23
Add: Un-allocable corporate assets less liabilities	83.50	81.50
Total Capital Employed in Company	1671.77	1599.73

11. Related Party Disclosure :

Information given below is only in respect of the transactions entered into by the company during the year with related parties:-

i) Relationships:

(a) Subsidiaries Company

NIL

(b) Other related parties where control Exists

CIL Industries Limited
CIL Financial Services Limited
CIL Finstocks (P) Limited
CIL Commodities (P) Limited
Piyush Stock Broking Services Pvt.Ltd
Piyush Crefinvest Pvt.Ltd
Lotus Stock Markets Pvt.Ltd

(c) Key Managerial Personnel
Shri K.K.Maheshwari

Shri.Piyush Modi

(d) Relatives of Key Managerial Personnel

Smt. Gita Devi Maheshwari
Smt. Pramila Maheshwari

Shri.S.M.Agarwal
Smt.Chanda Agarwal
Smt.Barkha Modi

ii) Transactions carried out with the related parties referred in (1) above, in ordinary course of business:

(In Rs.)

Nature of transactions	Related Parties			
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Licence Agreement	-	-	18000/- (18000/-)	240000/- (240000/-)
Remuneration	-	-	1966225/- (1967357/-)	-
Director's Fees	-	-	-	3750/- (3750/-)
Services Rendered	-	19199/- (524974/-)	10463/- (4915/-)	6824/- (3685/-)
Outstandings payable (Net of receivable)	-	(-655569/-) (1581923/-)	-	-

12. Earning Per Share:

	2009-10	2008-09
a) Net Profit after Tax, available for Equity (in Lacs)	130.54	47.19
b) Weighted average number of Equity shares (in no)	5000000	5000000
c) Basic & Diluted Earnings Per Share (in Rs.)		
(Nominal Value of shares - Rs. 10/-)	2.61	0.94
13. Expenditure in Foreign Currency.	0.00	0.00
14. Earning in Foreign Currency	0.00	0.00
15. Balances of Sundry Debtors and Sundry Creditors are subject to confirmation.		
16. There are no amounts payable to small-scale industrial undertaking as at the balance sheet date. This Disclosure is based on the information available with the Company. The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.		
17. Previous year figures have been regrouped / rearranged wherever considered necessary		

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

A. REGISTRATION DETAILS :		
REGISTRATION NUMBER		10188
STATE CODE		01
BALANCE SHEET DATE		31-03-2010
B. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)		
PUBLIC ISSUE		NIL
RIGHTS ISSUE		NIL
BONUS ISSUE		NIL
PRIVATE PLACEMENT		NIL
C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:		
(AMOUNT IN RUPEES THOUSANDS)		
TOTAL LIABILITIES	167177	TOTAL ASSETS 167177
SOURCES OF FUNDS		
PAID-UP CAPITAL		50000
RESERVES & SURPLUS		117177
SECURED LOANS		NIL
UNSECURED LOANS		NIL
APPLICATION OF FUNDS		
NET FIXED ASSETS		13095
INVESTMENTS		23536
NET CURRENT ASSETS		130889
MISC. EXPENDITURE		NIL
ACCUMULATED LOSSES		NIL
DEFERRED TAX		(343)
D. PERFORMANCE OF THE COMPANY: (AMOUNT IN RS. THOUSANDS)		
TURNOVER		70643
TOTAL EXPENDITURE		56369
+/- PROFIT/(LOSS) BEFORE TAX		14274
PROFIT/(LOSS) AFTER TAX		13054
EARNING PER SHARE (IN RS.)		2.61
DIVIDEND RATE (%)		10 %
E. GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS):		
ITEM CODE NO. (ITC CODE)	:	NA
PRODUCT	:	STOCK BROKING
ITEM CODE NO.	:	NA
PRODUCT	:	MERCHANT BANKING.
ITEM CODE NO.	:	NA
PRODUCT	:	REGISTRARS TO ISSUE & TRANSFER AGENTS.

Vide our report of even dated
For Ram Kishore Jhawar & Associates
 Chartered Accountants
 (Firm No. 003016S)

CA Ram Kishore Jhawar
 Proprietor
 M.No. 27970
 PLACE: HYDERABAD
 DATE: 29.05.2010

**For & on behalf of the Board of Directors of
 CIL SECURITIES LTD**

K.K. Maheshwari
 Piyush Modi
 Pramila Maheshwari
 M.P. Murthy
 V.B. Purnaiah
 R.N. Joshi
 S.N. Kanchal

Chairman & Managing Director
 Executive Director
 Director
 Director
 Director
 Director
 Director

ATTENDANCE SLIP

CIL SECURITIES LIMITED
214, RAGHAVA RATNA TOWERS,
CHIRAG ALI LANE, ABIDS,
HYDERABAD-500 001

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

Joint Shareholders may obtain additional Attendance Slip at the venue of the Meeting

DP. Id*		Master Folio No.	
Client. Id*		No. of shares	

NAME AND ADDRESS OF THE SHAREHOLDER.....

I hereby record my present at the 21st Annual General Meeting of the Company to be held on Tuesday, 28th September, 2010 at 11.00 A.M at Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6-841, Red Hills, Hyderabad- 500 004.

*Applicable for investors holding shares in dematerialised form.

Signature of Shareholder/Proxy

..... CUT HERE

PROXY FORM

CIL SECURITIES LIMITED
214, RAGHAVA RATNA TOWERS,
CHIRAG ALI LANE, ABIDS,
HYDERABAD-500 001

DP. Id*		Master Folio No.	
Client. Id*			

I/We..... Ofbeing a member/members of CIL Securities limited hereby appoint of or failing for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Tuesday, 28th September, 2010 at 11.00 A.M and at any adjournment thereof.

Signed this _____ day of _____ Two Thousand Ten.

*Applicable for investors holding shares in dematerialised form

Signature of Shareholder

Affix 1
Rupee
Revenue
Stamp

NOTE: (1) The Proxy to be effective, should be deposited at the Registered office of Company at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500 001 not less than 48 hours before the commencement of the aforesaid meeting.

(2) A proxy need not be a Member of the Company.

BOOK-POST

CIL SECURITIES LIMITED
214, RAGHAVA RATNA TOWERS,
CHIRAG ALI LANE, ABIDS,
HYDERABAD - 500 001.

PLEASE FILL THIS ATTACHED SLIP AND HAND IT OVER AT THE BRANCH OF THE POST OFFICE
Joint Shareholder's Meeting of the Company on 12th May 2001

NAME AND ADDRESS OF THE SHAREHOLDER

Client's Name

NAME AND ADDRESS OF THE SHAREHOLDER

If hereby record my presence at the AGM of the Company, I hereby appoint the following person as my proxy to attend and vote at the AGM of the Company on 12th May 2001 at 11:00 A.M. at the Registered Office of the Company, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.

Applicable for investors who have not received the proxy form from the Company.

NAME AND ADDRESS OF THE SHAREHOLDER

CIL SECURITIES LIMITED

214, RAGHAVA RATNA TOWERS,

CHIRAG ALI LANE, ABIDS,

HYDERABAD - 500 001.

Client's Name

Client's Name

NOTE: (1) The Proxy to be effective, should be deposited at the Registered Office of the Company, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001 not less than 48 hours before the date of the meeting. (2) A proxy need not be a Member of the Company.

Client's Name

If undelivered, please return to :

CIL Securities Limited

214, Raghava Ratna Towers,

Chirag Ali Lane, Abids,

Hyderabad - 500 001.