

# **CIL SECURITIES LIMITED**



## **ANNUAL REPORT** **2013-14**

## **Company Information**

### **Board of Directors**

K.K.Maheshwari

Piyush Modi

A.K. Inani

Pramila Maheshwari

M.P.Murthy

V.B.Purnaiah

R.N.Joshi

F.R. Bhote

Chairman and Managing Director

Executive Director

Director-Finance

### **Solicitors**

K Balakrishna & Associates

No 1-1-336/140, Chikkadpally

Hyderabad- 500 020

### **Principal Bankers**

Canara Bank

HDFC Bank

### **Audit Committee**

V.B.Purnaiah

M.P.Murthy

RN Joshi

F.R. Bhote

### **Shareholders' / Investor Grievance Committee**

Pramila Maheshwari

K.K. Maheshwari

V.B.Purnaiah

### **Remuneration Committee**

M.P. Murthy

RN Joshi

V.B.Purnaiah

### **Auditors**

M/s Ram Kishore Jhavar & Associates

Chartered Accountants Firm No. 003016S

4-4-296/297, 1st Floor, Room no 13,

Mithila Complex, Bank Street, Koti,

Hyderabad - 500195

### **Registered Office**

214, Raghava Ratna Towers

Chirag Ali Lane, Abids

Hyderabad- 500 001

website: [www.cilsecurities.com](http://www.cilsecurities.com)

e-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)

Tel No.: 040-23203155

### **Corporate Office**

130-132, Room No. 20,

II Floor, Great Western Building

Opp. Lions Gate, Fort,

Mumbai-400023

### **Registrar & Share Transfers**

214, Raghava Ratna Towers

Chirag Ali Lane, Abids,

Hyderabad- 500 001

E-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)

Tel No.: 040-23203155

Fax: 040-23203028

**NOTICE**

Notice is hereby given that the **Twenty Fifth Annual General Meeting** of the Members of CIL Securities Limited will be held on **Monday, 28<sup>th</sup> July, 2014** at , 608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad – 500 001 at **11:00 A.M.** to transact the following businesses:

**Ordinary Business:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Board of Directors, Corporate Governance and Auditors thereon.
- 2) To declare Dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2014.
- 3) To appoint a Director in place of Sri M.P. Murthy, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
- 4) 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.
- 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.

**Special Business**

- 6) To consider, and if thought fit to pass, with or without modifications, the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of the section 196, 197, 198, 203, Schedule V and Other applicable Provisions, if any of the Companies Act, 2013 including any statutory modifications, re- enactment thereof and subject to such other approval as may be required, the company hereby accords its approval for the re-appointment of Sri Krishna Kumar Maheshwari as the Managing Director of the Company for a period of Five (5) years from 31<sup>st</sup> July, 2014 to 30<sup>th</sup> July, 2019 on the terms and conditions including the remuneration and perquisites as set out in the draft agreement be and is hereby approved and sanctioned with the authority to the board of directors of the Company to alter and vary the terms and conditions of the said re-appointment and / or re-agreement in such manner as the board may deem fit within the overall limit as specified in schedule V of the Companies Act, 2013 for the time being in force or any statutory modification or reenactment thereof and / or any rules or regulations framed there under.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

**Place: Hyderabad      By Order of the Board of Directors of  
Date: 17.05.2014      CIL SECURITIES LIMITED**

**KK Maheshwari  
Chairman & Managing Director**

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

**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 authorized 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 **Tuesday, 22<sup>nd</sup> July, 2014 to Monday, 28<sup>th</sup> July, 2014** (both days inclusive) for determining the names of Member eligible for Dividend Equity shares.
- (b) The dividend on Equity shares, if declared at the Meeting, will be paid on or after **Monday, 28<sup>th</sup> July, 2014** to those members whose names shall appear on the Company's Register of Members on , **Tuesday ,22<sup>nd</sup> July, 2014**; 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 Account (SA) or Current Account (CA);
    - Bank Account Number and MICR code/RTGS/NEFT Code
  - (b) Members who wish to change such Bank Account Details are, requested to advise their Depository Participants about such 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. Voting through electronic means:
  - i. According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.
  - ii. In compliance with provisions of Section 108 of the companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services Limited (CDSL):
  - iii. A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014.

- iv. During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the fixed or record date, may cast their vote electronically.
- v. The e-Voting shall remain open for One Day Only i.e On July 24, 2014 .
- vi. E-Voting shall be completed three days prior to the date of Annual General Meeting.
- vii. The Board of Directors at their meeting have appointed Mr. Dwaraka Prasad Asawa, Practicing Company Secretary as the scrutinizer for e-Voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e-Voting in a fair and transparent manner.
- viii. Vote once cast by the member cannot be changed/ altered.

9. The instructions for e-voting are as under:

**(A) In case of members receiving e-mail:**

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*\* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the default number: **ABCDE1234F** in the PAN field.*

*# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value **01/01/1990** in the DOB column or the **number of shares held** in the Dividend Bank details field.*

- vi After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- (B) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins on 24th July 2014 at 8.00 AM and ends on 24th July 2014 at 10.00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 21st July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
10. 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.
11. Non-Resident Indian Members are requested to inform the Share Transfer Department of the Company of:
- Change in Residential Status on return to India for permanent settlement.
  - 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.
12. Members desirous of any information on the accounts are requested to write to the Company at least a week before the meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
13. Duplicate attendance slip shall not be issued at the Annual General Meeting Venue. However the same shall be

issued at the Registered Office of the Company upto two days preceding the day of AGM.

**Details as required under Clause 49(IV)(G)(i) of the Listing Agreement:-**

**ITEM 3**

Sri M.P. Murthy is a Management Consultant having more than Four decades of experience in all the areas of management. He retired as Managing Director of Union Carbide, Singapore. He is also a recipient of Shiromani Award, International Business Excellence Award and Vikas Jyoti Award.: He is a director in the following companies.

- Reliance Cellulose Products Limited.
- Novopan Industries Limited

He does not hold Equity Shares of the Company as on 31st March, 2014

**ITEM 4**

Smt. Pramila Maheshwari is a Commerce Graduate with 22 years of experience in Stock Broking, Commodities Broking and Investment Banking operations and she is a Director in the following Companies:

- CIL Industries Limited
- CIL Commodities Private Limited

She holds 5,21,000 Equity Shares representing 10.42 % of the Paid Up Capital of the Company as on 31<sup>st</sup> March, 2014

**Explanatory Statement (Pursuant to Section 102 of Companies Act 2013)**

**ITEM 6**

Shri.K.K.Mahshwari is a commerce graduate and is associated with the Company since inception. He is having rich and vast experience in the line of investments, broking activities and other related financial arena for more than 26 years. He is a Promoter Director of the Company and has been associated with the Company's development and diversification plans. Also he has rich experience in the segment of Merchant Banking, Registrars & Share Transfer Agents, Depository Services and in diversified financial activities / services.

In view of Shri K.K.Maheshwari's vast experience in Capital Market, his re-appointment is in the best interest of the Company.

**The terms of the renewed agreement are as follows:-**

- Salary @ Rs.1,00,000/- (Rupees One Lakh Only) per month or such higher amount as may be approved by the Board from time to time.

2. Commission: Commission will be allowed to Shri K.K.Maheshwari in addition, to salary and perquisites, the amount of which is, based on the net profits (pre tax) of the Company in a particular year, shall be subject to the overall ceilings as laid down in Sections 196, 197, 198, 203 and Schedule V to the Companies Act, 2013 as applicable. The Amount of Commission for each financial year or part thereof will be decided by the Board from time to time in its absolute discretion, but shall not exceed an amount equal to 5% of the Net Profits (pre tax) of the Company computed in accordance with the laws, policies, rules, regulations or guidelines in force. Commission may be payable prorata on a monthly basis at the discretion of the Board of Directors.
3. Perquisites: Perquisites will be allowed in addition to salary and commission restricted to an amount equal to the annual salary.
- Unless the context otherwise requires, the perquisites are classified into 3 Categories "A", "B" & "C" as follows

**CATEGORY - A :**

This will comprise House Rent Allowance, Leave Travel Concession, Medical Reimbursement, Fees on Clubs and Personal Accident Insurance. These may be provided for as under:

- 1) Housing : The Company shall provide rent free unfurnished residential accommodation to the Managing Director or House Rent Allowance upto a maximum of 50% of the salary in lieu thereof.
- 2) Medical and/or Hospitalisation Expenses: Expenses incurred for the self and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- 3) Leave Travel Concession: Leave Travel Concession for self and family, once in a year incurred subject to a ceiling of one month's salary.
- 4) Club Fees: Fees of Club subject to maximum of two Clubs.  
This will not include admission and life membership fee.
- 5) Personal Accident Insurance: Premium not to exceed Rs. 10,000/- per annum.

**CATEGORY-B:**

- 1) Contribution to Provident Fund, Super Annuation Fund, or Annuity Fund as and when applicable will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

- 2) Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites

**CATEGORY-C:**

- 1) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee concerned."
- 2) The appointee(s) shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
- 3) The appointee(s) shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the Company.
- 4) The above remuneration payable to Shri K.K. Maheshwari is subject to the condition that the total remuneration including all the perquisites as mentioned in 'A', 'B' & 'C' above shall not exceed 5% of the net profits (pre tax) payable to the Managing Director as calculated in accordance with Sections 197, 198, 203 and Schedule V to the Companies Act, 2013 or any amendment thereto or any other provisions as may be applicable.
- 5) In the event of absence or inadequacy of profits in any financial year, Shri K.K. Maheshwari will be paid the above salary as minimum remuneration and in addition thereto the perquisites not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013.
- 6) The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or reenactment thereof, for the time being in force) or any amendments made thereto from time to time and acceptance of the appointee(s).

Shri K.K. Maheshwari and Smt Pramila Maheshwari are deemed to be concerned or interested in the resolution.

**Place: Hyderabad**      **By Order of the Board of Directors of**  
**Date: 17.05.2014**      **CIL SECURITIES LIMITED**

**KK Maheshwari**  
**Chairman & Managing Director**

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

**NOTICE-GREEN INITIATIVE**

Dear Shareholders,

**Sub: Email address for mailing Annual Reports, Notices and other documents**

As a part of "Green Initiative" in the Corporate Governance, the Ministry of Corporate Affairs vide Circular No 18/2011 dated 29<sup>th</sup> April 2011 has enabled Companies to send Annual Reports, Notices and other documents through electronic mail.

In the view of the above, we propose to send the Annual Reports, Notices and other documents to our Members through electronic mail.

- A. For Members holding shares in electronic form, the email address provided by you and made available to us by the Depositories will be used for sending the Annual Report. Kindly update your email address with your Depository Participant, including changes if any. In case you desire to receive in physical form please inform us in writing.
- B. Members holding shares in physical form are requested to register their email address so that the Annual Report can be sent through email. You may register your email id with our Registrar & Transfer Agent, whose address and email id is as under:-

**CIL Securities Limited,**  
214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids,  
Hyderabad-500001

Email: [rita@cilsecurities.com](mailto:rita@cilsecurities.com)/ [secretary@cilsecurities.com](mailto:secretary@cilsecurities.com)

- C. Members can also register their choice by logging in to [www.cilsecurities.com](http://www.cilsecurities.com) and clicking on "MCA's Green Initiative" link.

Thanking you,  
Yours sincerely,

**For CIL Securities Limited**

**K.K. Maheshwari**  
Chairman & Managing Director  
Date: 17.05.2014

**Directors' Report**

Dear Members,

Your Directors present the 25<sup>th</sup> Annual Report and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2014.

**Financial Results**

The Financial performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2014 is summarized below:

Particulars	(Rs in Lacs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Total Revenue	325.44	440.02
Profit before Interest, Depreciation & Tax	52.54	105.75
Profit before Depreciation and Tax	52.29	105.73
Depreciation	13.67	16.44
Profit Before Tax	38.62	89.29
Less: Provision for Tax (Net)	1.11	26.01
Profit After Tax	37.51	63.28
Add: Balance Brought Forward from the last year	1004.49	976.62
<b>Profit available for Appropriation</b>	<b>1042.00</b>	<b>1039.90</b>
<b>Appropriations:</b>		
Proposed Equity Dividend	25.00	25.00
Tax on Dividend	4.25	4.06
Transfer to General Reserve	3.76	6.35
Balance carried forward to Balance sheet	1008.99	1004.49
<b>Total Appropriations</b>	<b>1042.00</b>	<b>1039.90</b>

The Company's Profit after Tax is Rs. 37.51 Lacs (Previous Year Rs. 63.28 Lacs). The Board recommends transfer of a sum of Rs. 3.76 Lacs (Previous Year Rs. 6.35 Lacs) to General Reserve.

**Dividend**

Your Directors are pleased to recommend the payment of dividend on equity shares @ Rs. 0.50 per shares for the financial year ending 31-03-2014. The total dividend together with tax and surcharge there on amount to Rs.29.25 Lacs (Previous year Rs. 29.06 Lacs)

**CURRENT MARKET SCENARIO**

The Financial Year 2013-14 remained extremely challenging for the entire Financial/Capital markets' Intermediaries. Coming as it did, after already two bad years in a row this one took a rather heavier toll on the market players. Despite the optic view that things have been improving markedly from the



second half of the year, the actual percolation of benefits have not reached the ground levels yet & have certainly not helped improve the struggling Balance Sheets of the players in our category. The process of recovery has been regularly interrupted by several factors from both External sources as well our own Domestic issues. Thus, on a net basis the overall market condition remains quite challenging at this point.

The recovery process in the second half is driven largely by the developments on the Political front and now with the strong emergence of what is seen as a stable, pro-Reforms Government things are expected to improve significantly. It is also known fact that over the last three Financial years our Economy has slumped from high growth zones of >8% GDP to the current levels of barely 4.5% besides high levels of Inflation wherein the CPI Inflation hit levels of up to 12% & the Food prices Inflation hit unheard levels of 18-20%.

By the middle of the FY'2013-14, the Economy had slipped into a near crisis situation with the Current Account Deficit(CAD) hitting almost unmanageable levels @ >70 Billions. The CAD had hit such alarming proportions that at one stage in August it was reported at a whopping 6.7% to the GDP. As a result Rupee slumped to hit levels of nearly Rs.69 to a \$ even as fears of an imminent International Rating Agencies' downgrade loomed large. However, some drastic steps to curb Imports, especially of commodities like Gold helped to improve the situation. All these events with a perceptible lack of policy inactivity had left an extremely uneasy feeling amongst large Investors. However, now that the new Government will be seen acting quickly, the hopes of a turn-around in economy can be hoped earnestly.

Despite the high hopes of markets making a smart recovery & likely to progress well in a new regime, the hopes for Market intermediaries do not look quite so optimistic, at least for the near future. After reeling under heavy pressure situation for over three years now, the Broking Industry remains badly battered. The most adverse factor that remains firmly in tact is the enormous stress levels on margins with the brokerages shrinking to abysmal, almost unviable levels. This situation remains grim & continues to threaten the players endlessly. On the positive side, with Stock valuations regaining some of the older virtues, the hopes that HNI & Corporate Clients' business will see a traction is the only saving grace.

If stock indices are a true reflection of the sentiments if not the actual status of the Economic affairs, the fact that both the leading Indices the NIFTY & the SENSEX hitting new All-time Highs, with the SENSEX topping the 23K mark & the NIFTY hitting levels of 6870+ do indicate that the market

sentiments' have certainly improved in the recent times. With the formation of a new look Government the hopes are indeed high that the Reforms agenda will be placed on a fast-track once again & the high growth days of 7-8% will be re-visited in the near future.

### **Directors**

In accordance with the provisions of Section 152 of the Companies Act 2013 and Article 100 of the Articles of Association of the Company Shri M.P. Murthy and Smt Pramila Maheshwari , retire by rotation at the ensuing Annual General Meeting and being eligible offer 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.

### **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 141(3)(g) of Companies Act, 2013. 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 **BSE 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 including Buildings, Computers, Office Equipments, Vehicles, etc.

### **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.60 Lacs** per annum or part thereof.

**Management's Discussion and Analysis Report**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

**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 judgements 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, 2014 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 basis.

**Corporate Governance**

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

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 2013-14 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 16<sup>th</sup> May, 2014 , a total of 4858409 Equity shares of the Company, which forms 97.17 % 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 and cooperation 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.

**Place: Hyderabad**      **By Order of the Board of Directors of**  
**Date: 17.05.2014**      **CIL SECURITIES LIMITED**

**KK Maheshwari**  
**Chairman & Managing Director**

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

### 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 endeavors 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 Clause 49 of the Listing Agreement with the Stock Exchange 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 31<sup>st</sup> March, 2014, the Board of Directors consists of 8 Directors viz., 1 Managing Director, 2 Executive Directors, 5 Non-Executive Directors (Out of which Four are Independent Directors).

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 are managed by the Chairman and Managing Director and 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 26 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 31<sup>st</sup> March, 2014.

He is the Chairman and Managing Director of the Company.

- (ii) **Shri Piyush Modi** is a graduate in Commerce and is having more than 17 years of experience in financial services and Capital Market Operations. Shri Piyush Modi holds 500 Equity shares of the Company representing 0.01percent of the paid up share capital as on 31<sup>st</sup> March, 2014.

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 22 years. She is the Promoter Director of the Company. She is also the Chairperson of the Shareholders'/Investor Grievance Committee of the Company. Smt Pramila Maheshwari holds 521000 Equity shares representing 10.42 percent of the paid up share capital as on 31<sup>st</sup> March, 2014.

She is a Non-Executive and Non-independent 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 Chairman of Remuneration Committee of the Company. Shri M.P.Murthy does not hold any shares of the Company as on 31<sup>st</sup> March 2014.

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

- (v) **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 0.014 percent of the paid-up capital of the Company as on 31<sup>st</sup> March, 2014.

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

- (vi) **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. He is the Member of the Audit Committee, Shareholders'/Investor's Grievance Committee and Remuneration Committee of the Company Shri R.N.Joshi does not hold any shares of the Company as on 31<sup>st</sup> March 2014

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

- (vii) **Shri A.K. Inani** is a Commerce Graduate and is having more than 27 years of experience in Finance, Taxation, Accounts and other related financial arena. He is associated with the Company since November ,1995. Sri A.K. Inani does not hold any shares in the Company.

He is an Executive Director of the company and designated as Director-Finance.

- (viii) **Shri F.R . Bhote** is a Science Graduate(Engineering) in Electronics & Communications and holds a Master Degree in Computer Science from I.I.T. He has got varied experience of more than 29 years in making Software for Capital Market. Shri F.R Bhote does not hold any shares in the Company.

He is an Independent and 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.

(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.

(iii) The Information placed before the Board includes:

- ◆ 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.
- ◆ 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 employee's problems and their proposed solutions. Any significant development in Human Resources.
- ◆ 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.

- ◆ Proposals for investment, mergers and acquisitions.
- ◆ Recommendation / declaration of dividend.
- ◆ General notices of interest of Directors.
- ◆ Terms of reference of Board Committees.

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.

**(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.

**(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.

**(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.

**(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, 2013 and rules thereunder, The Companies Act, 1956 read with the Rules issued there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

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	DIN	Category	Attendance at Board meetings during 2013-14		No. of other Directorship(s) Held as on 31.03.2014*	No. of Membership(s)/ Chairmanship(s) Committees of other Companies**	
			Board Meetings	Previous AGM		Member-ship (s)	Chairmanships
Shri K.K.Maheshwari	00223241	Executive & Promoter	5	Yes	3	0	0
Shri Piyush Modi	00036680	Executive	5	No	0	0	0
Smt Pramila Maheshwari	00223430	Non-Executive & Non-Independent	5	Yes	1	0	0
Shri M.P.Murthy	00294106	Non-Executive & Independent	4	No	3	0	6
Shri V.B.Purnaiah	00284637	Non-Executive & Independent	5	Yes	0	0	0
Shri Ram Nivas Joshi	00798679	Non-Executive & Independent	4	Yes	0	0	0
Shri A.K. Inani	00223069	Executive	5	Yes	1	0	0
Shri F. R. Bhole	00156590	Non-Executive & Independent	4	No	1	1	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 only the Audit Committees Shareholders' / Investors' Grievance Committees and Remuneration Committees in all public limited companies(excluding CIL Securities Limited)

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.	5th April, 2013	7	7
2.	29th May, 2013	8	8
3.	13th August, 2013	8	8
4.	24th October, 2013	8	7
5.	25th January, 2014	8	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 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 RN Joshi
4. Shri F. R. Bhote

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 R.N Joshi	Shri F.R. Bhote
1	29th May, 2013	Attended	Attended	Attended	-
2	13th August, 2013	Attended	Attended	Attended	-
3	24th October, 2013	Attended	-	Attended	Attended
4.	25th January, 2014	Attended	Attended	-	Attended

The Statutory Auditor was present in all the meetings. Managing Director / Director-Finance 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 M.P Murthy (Chairman)

Shri V.B.Purnaiah

Shri R.N. Joshi

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 M.P Murthy	Shri V.B Purnaiah	Shri R.N. Joshi
1	29th May, 2013	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 31 , 2014 to them is as under.

Name & Designation	Sri K.K Maheshwari (Managing Director)	Sri Piyush Modi (Executive Director)	Sri A.K. Inani (Director -Finance)
Salary	Rs. 12,99,960/-	Rs.6,00,000/-	Rs. 7,92,353/-
Perquisites	Rs. 95,192/-	-	Rs. 1,06,990/-
<b>TOTAL</b>	<b>Rs. 13,95,152/-</b>	<b>Rs.6,00,000/-</b>	<b>Rs. 8,99,343/-</b>

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees of Rs 4000/- plus conveyance expenses per meeting of the Board and Committees. The total amount of sitting fees paid during the year is Rs. 1,36,000/-.

**(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 2013-14, details of complaints received from shareholders/ investors regarding transfer of shares non-receipt of declared dividends etc. are given below:**

Nature of Complaints	Number of Complaints received	Number of Complaints redressed.
Non-receipt of dividends	Nine	Nine
Non-receipt of shares lodged for Transfer	NIL	NIL
Others	NIL	NIL
<b>Total</b>	<b>Nine</b>	<b>Nine</b>

All Complainants have been resolved and there are no outstanding complaints as on 31<sup>st</sup> March 2014.

No. of Shares pending for Transfer-**Nil**

**d) Independent Directors:**

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and rules made there under and under Clause 49 of the listing agreement.

**e) Name and Designation of the Compliance Officer**

**Shri K.K.Maheshwari - Chairman & 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
2012-13	AGM	608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad- 500001	30th September, 2013	11.00 A.M.
2011-12	AGM	608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad- 500001	28th August ,2012	11.00 A.M.
2010-11	AGM	Surana Udyog Auditorium, The Federation of A.P Chamber of Commerce and Industry (Federation House), 11-6-841, Red Hills, Hyderabad - 500 004	28th September 2011	11:00AM



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

Year	Special Resolution passed
2012-13	No Special Resolution was passed
2011-12	No Special Resolution was passed
2010-11	No Special Resolution was passed

**Special Resolutions requiring a Postal Ballot**

The Company Passed a Special Resolution altering **Memorandum of Association** Object Clause in FY 2010-11

**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 personnel 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 without qualification.

**(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 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 behavior 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 are announced within forty five days from 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 2013-14, the audited annual results have been announced on 17<sup>th</sup> May 2014. During the Financial Year 2013-14 Company has declared and filed Un-audited quarterly results with Stock Exchange. Limited review report by the auditor was also filed on time. The Company announces the audited results within the stipulated period of Two 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 proforma 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 Monday, 28<sup>th</sup> July, 2014 at 11:00AM at** 608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad – 500 001.

**Date of Book Closure Tuesday, 22<sup>nd</sup> July, 2014 to Monday, 28<sup>th</sup> July, 2014**

**Financial Calendar for 2014-15**

Financial Year	1st April, 2014 to 31st March 2015
Results for the quarter ending 30th June, 2014(tentative)	Before 15th of August ,2014
Results for the Quarter/Half Year Ending 30th September, 2014(tentative)	Before 15th of November , 2014
Results for the quarter ending 31st December, 2014(tentative)	Before 15th of February , 2014
Results for the year ending 31st March, 2015(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.
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001	530829	INE830A01012

**Payment of Listing Fees**

Annual Listing Fee for the year 2014-15 (as applicable) has been paid by the Company to the BSE.

**Monthly Share Price Movement**

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-13	9.15	9.15	7.23	7.23	130	6	1,081	1.92	-1.92
May-13	7.59	7.96	7.59	7.96	350	3	2,730	0.37	0.37
Jun-13	7.96	7.96	7.96	7.96	0	0	0	0	0
Jul-13	8.35	9.63	8.35	9.63	2000	11	18,599	1.28	1.28
Aug-13	10.11	10.61	9.58	10.50	3,20,442	28	30,81,969	1.03	0.39
Sep-13	9.99	10.50	9.05	9.05	4,005	16	41,058	1.45	-0.94
Oct-13	9.00	9.00	9.00	9.00	100	1	900	0	0
Nov-13	9.45	10.92	9.45	10.80	6,453	23	67,032	1.47	1.35
Dec-13	10.80	10.80	10.80	10.80	25	1	270	0	0
Jan-14	10.80	10.80	10.80	10.80	30	1	324	0	0
Feb-14	10.80	10.80	10.80	10.80	0	0	0	0	0
Mar-14	10.80	11.34	8.01	8.01	1,885	18	17,911	3.33	-2.79

(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 15 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 Exchange.

**DISTRIBUTION OF SHARE HOLDING CATEGORY WISE (as on March 31, 2014)**

No. of Equity shares held	No. of shareholders	Percentage of shareholders	No. of shares held	Percentage of shareholding
1 - 500	768	77.11	153467	3.07
501 - 1000	112	11.25	98757	1.98
1001 - 2000	59	5.92	88908	1.78
2001 - 3000	17	1.71	43056	0.86
3001 - 4000	4	0.40	14141	0.28
4001 - 5000	8	0.80	36244	0.72
5001 - 10000	6	0.60	44671	0.89
10001 & Above	22	2.21	4520756	90.42
	<b>996</b>	<b>100.00</b>	<b>5000000</b>	<b>100.00</b>

**SHARE HOLDING PATTERN (as on March 31, 2014)**

Sl.No.	Category	No. of Shares	% of shares
1	Promoters' Holding	3318501	66.37
2	Corporate Bodies	892568	17.85
3	Individuals/others	766695	15.34
4	NRIs	22236	0.44
	<b>TOTAL</b>	<b>5000000</b>	<b>100.00%</b>

**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 16<sup>th</sup> May, 2014 a total of 4858409 Equity Shares of the Company, which forms 97.17% 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

**Investor Grievance**

An exclusive e-mail ID, [complaints@cilsecurities.com](mailto:complaints@cilsecurities.com) for redressal of investor complaints has been created and the same is available on our website [www.cilsecurities.com](http://www.cilsecurities.com)

**12) CEO/CFO Certification:**

To

The Board of Directors

**CIL Securities Limited**

Dear Sirs,

I have reviewed the financial statements and the cash flow statement of the Company for the financial Year ended 31<sup>st</sup> March 2014 and that to the best of my knowledge and belief:

- ◆ These statements do not contain any materially untrue statement or omit any 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 the existing accounting standards, applicable laws and regulations.
- ◆ 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.
- ◆ 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.
- ◆ I have indicated to the Auditors and the audit Committee:
  - o significant changes in internal control over financial reporting during the year
  - o significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - o 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.

**Place: Hyderabad K.K.Maheshwari**

**Date: 17<sup>th</sup> May, 2014 Chairman & Managing Director**

**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 31<sup>st</sup> March, 2014.

**Place: Hyderabad K.K.Maheshwari**

**Date: 17<sup>th</sup> May 2014 Chairman & Managing Director**

**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 besides Registrars, Transfer Agent and a Merchant Banker.

The Company follows all the rules and regulations of the respective exchange for depository / 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.
- ◆ Unfavourable 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. 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 unde:

(Rs. in Lacs)

SEGMENT	GROSS INCOME	
	31.03.2014	31.03.2013
Securities Dealings & Broking	255.15	324.22
Merchant Banking	2.75	5.25
Consultancy Fee	5.16	14.94
Registrar & Share Transfer Agent	27.35	47.74
Demat & Depository	10.70	12.98

### 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 suggests 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 2014, 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 Jhavar & Associates  
Chartered Accountants**

**Place:Hyderabad**

**Date: 17/05/2014**

**CA Ramkishore Jhavar  
M No: 27970 Firm No: 003016S**

### 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, 2014, the Statement of 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 31.03.2014 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 31.03.2014.
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, 2014.
  - (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**

**CA RAMKISHORE JHAWAR  
M.NO. 27970 Firm No: 003016S**

**PLACE: HYDERABAD  
DATE : 17/05/2014**

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) 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 affect 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 Internal Audit System.
- VIII) The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of its product
- 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 31.03.2014 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 has it 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 ,if any, 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 others 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.

**For RAMKISHORE JHAWAR & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**PLACE: HYDERABAD  
DATE: 17/05/2014**

**CA RAMKISHORE JHAWAR  
M.No. 27970 Firm No. 003016S**

**CIL SECURITIES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars		Note No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders funds</b>			
	Share capital	1	5,00,00,000	5,00,00,000
	Reserves and surplus	2	12,95,73,723	12,87,47,328
			<b>17,95,73,723</b>	<b>17,87,47,328</b>
<b>2</b>	<b>Non-current liabilities</b>			
	Other Long Term Liabilities	3	2,75,000	2,75,000
	Long-term provision	4	26,36,349	25,25,474
			<b>29,11,349</b>	<b>28,00,474</b>
<b>3</b>	<b>Current liabilities</b>			
	Trade payables	5	2,81,36,823	3,63,81,898
	Other current liabilities	6	6,37,666	34,51,186
	Short-term provisions	7	35,06,991	44,16,598
			<b>3,22,81,480</b>	<b>4,42,49,682</b>
			<b>21,47,66,552</b>	<b>22,57,97,484</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	<b>Fixed assets</b>			
	Tangible assets	8A	74,02,741	79,37,319
	Intangible assets	8B	4,10,761	6,05,060
	Non-current Investment	9	3,16,16,561	2,59,79,458
	Deferred tax assets (net)	21.29	6,64,558	1,68,738
	Long Term Loans and Advances	10	1,24,75,938	1,27,75,938
			<b>5,25,70,559</b>	<b>4,74,66,513</b>
<b>2</b>	<b>Current assets</b>			
	Current investments	11	5,68,26,465	9,32,12,344
	Trade receivables	12	6,17,32,404	3,13,39,109
	Cash and cash equivalents	13	3,94,72,998	4,03,47,210
	Short-term loans and advances	14	4,17,356	10,01,807
	Other current assets	15	37,46,770	1,24,30,501
			<b>16,21,95,993</b>	<b>17,83,30,971</b>
			<b>21,47,66,552</b>	<b>22,57,97,484</b>
	<b>Significant Accounting Policies and Notes forming part of the financial statements</b>	21		

In terms of our report attached.  
For RamKishore Jhavar & Associates  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CIL Securities Limited**

CA Ram Kishore Jhavar  
Proprietor  
M.No. 27970 & Firm No:003016S

K.K.Maheshwari  
Chairman & Managing Director

A.K.Inani  
Director - Finance

Place : Hyderabad  
Date : 17.05.2014



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

Particulars		Note No.	For the Year Ended 31.03.2014 Rs.	For the Year Ended 31.03.2013 Rs.
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from operations (gross)	16	<b>3,22,48,197</b>	4,28,97,579
<b>2</b>	Other income	17	<b>2,95,778</b>	11,04,029
<b>3</b>	<b>Total revenue (1+2)</b>		<b>3,25,43,975</b>	4,40,01,608
<b>4</b>	<b>Expenses</b>			
	Employee benefits expense	18	<b>1,06,13,390</b>	1,18,16,212
	Finance costs	19	<b>25,183</b>	1,560
	Depreciation expense	8	<b>13,66,705</b>	16,44,088
	Other expenses	20	<b>1,66,76,318</b>	2,16,10,860
	<b>Total expenses</b>		<b>2,86,81,596</b>	3,50,72,720
<b>5</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>38,62,379</b>	89,28,888
<b>6</b>	Exceptional items		<b>0</b>	0
<b>7</b>	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>38,62,379</b>	89,28,888
<b>8</b>	Extraordinary items		<b>0</b>	0
<b>9</b>	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>38,62,379</b>	89,28,888
<b>10</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		<b>6,09,011</b>	17,87,933
	(b) Current tax expense relating to prior years		<b>-2,082</b>	0
	(c) Net current tax expense		<b>6,06,929</b>	17,87,933
	(d) Deferred tax		<b>-495,820</b>	8,12,896
			<b>1,11,109</b>	26,00,829
<b>11</b>	<b>Profit / (Loss) from continuing operation (9+10)</b>		<b>37,51,270</b>	63,28,059
<b>12</b>	<b>Profit / (Loss) for the year</b>		<b>37,51,270</b>	63,28,059
<b>13</b>	<b>Earnings per share (of ' 10/- each):</b>			
	(a) Basic			
	(i) Continuing operations	21.28	<b>0.75</b>	1.26
	(b) Diluted			
	(i) Continuing operations	21.28	<b>0.75</b>	1.26
	<b>Significant Accounting Policies and Notes forming part of the financial statements</b>	<b>21</b>		

In terms of our report attached.  
For RamKishore Jhawar & Associates  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CIL Securities Limited**

CA Ram Kishore Jhawar  
Proprietor  
M.No. 27970 & Firm No:003016S

K.K.Maheshwari  
Chairman & Managing Director

A.K.Inani  
Director - Finance

Place : Hyderabad  
Date : 17.05.2014

## Cash Flow Statement for the year ended 31st March, 2014

Amount in Rs.

Particulars	For the Year Ended 31.03.2014		For the Year Ended 31.03.2013	
<b>A. Cash flow from operating activities</b>				
Net Profit/(Loss) before extraordinary items and tax		3,862,379		8,928,888
<u>Adjustments for:</u>				
Depreciation & Amortisation	1,366,705		1,644,088	
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares				
(Profit)/Loss on sale/ write off of assets	(732)		(69,968)	
Expense on employee stock option scheme				
Finance Costs	25,183		1,560	
Interest Income	(2,136,700)		(2,384,959)	
Dividend Income	(668,392)		(675,523)	
Operating Profit		2,448,443		7,444,086
Other Charges				
Net unrealised exchange (gain)/loss				
Operating profit/(loss) before working capital changes		2,448,443		7,444,086
<u>Changes in working capital:-</u>				
Adjustments for (increase)/decrease in operating assets:-				
Inventories				
Trade Receivables	(30,393,295)		(8,914,972)	
Short term loans and advances	195,243		251,325	
Long term loans and advances	300,000		125,000	
Other current assets	8,683,731		(8,655,691)	
Other non-current assets		(21,214,321)		-
				(17,194,338)
Adjustments for increase/(decrease) in operating liabilities:-				
Trade Payables	(8,245,075)		(29,179,120)	
Other current liabilities	(2,813,520)		(695,475)	
Other long term liabilities	-		-	
Short term provisions	19,312		-	
Long term provisions	110,875	(10,928,408)	149,585	(29,725,010)
Cash flow from extraordinary items				
Cash generated from operations		(29,694,286)		(39,475,262)
Net Income tax (paid)/refunds		(1,146,641)		(1,477,817)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>(30,840,927)</b>		<b>(40,953,079)</b>
<b>B. Cash for Investing Activities</b>				
Capital expenditure on fixed assets, including capital advances	(638,595)		(604,005)	
Proceeds from sale of fixed assets	1,500		178,120	
Current investments Transactions not considered as Cash and cash equivalents	36,385,879		(17,308,784)	
Purchases of long term investments	(5,637,103)			
Proceeds from sale of long term investments			2,187,122	
Interest received	2,136,700		2,384,959	
Dividend Received	668,392		675,523	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>32,916,773</b>		<b>(12,487,065)</b>

### Cash Flow Statement for the year ended 31st March, 2014

Amount in Rs.

Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<b>C. Cash flow from financing activities</b>		
Finance cost	(25,183)	(1,560)
Dividends paid	(2,500,000)	(2,500,000)
Tax on dividend	(424,875)	(405,563)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(2,950,058)</b>	<b>(2,907,123)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(874,212)</b>	<b>(56,347,267)</b>
Cash and cash equivalents at the beginning of the year	40,347,210	96,694,477
Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		-
<b>Cash and cash equivalents at the end of the year</b>	<b>39,472,998</b>	<b>40,347,210</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet	39,472,998	40,347,210
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow statements	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	39,472,998	40,347,210
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
<b>Cash and cash equivalents at the end of the year*</b>	<b>39,472,998</b>	<b>40,347,210</b>
* Comprises:-		
(a) Cash on hand	164,871	88,716
(b) Cheques, drafts on hand		-
(c) Balances with banks		
(l) In current accounts	13,139,056	14,089,423
(d) Others (Fixed Deposits)	26,169,071	26,169,071
(e) Current investments considered as part of Cash and cash equivalents		-

In terms of our report attached.  
For RamKishore Jhwar & Associates  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CIL Securities Limited**

CA Ram Kishore Jhwar  
Proprietor  
M.No. 27970 & Firm No:003016S

K.K.Maheshwari  
Chairman & Managing Director

A.K.Inani  
Director - Finance

Place : Hyderabad  
Date : 17.05.2014

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE Share Capital

1	Particulars	As at 31 March, 2014		As at 31 March, 2013	
		Number of shares	Rs.	Number of shares	Rs.
	(a) Authorised Equity shares of ' 10/- each with voting rights	60,00,000	6,00,00,000	60,00,000	6,00,00,000
	(b) Issued # Equity shares of ' 10/- each with voting rights	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	(c) Subscribed and fully paid up Equity shares of ' 10/- each with voting rights	50,00,000	5,00,00,000	50,00,000	5,00,00,000
		50,00,000	5,00,00,000	50,00,000	5,00,00,000
	(d) Subscribed but not fully paid up Equity shares of ' each with voting rights, '	-	-	-	-
		-	-	-	-
	<b>Total</b>	<b>50,00,000</b>	<b>5,00,00,000</b>	50,00,000	5,00,00,000

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy	Other	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2014								
- Number of shares	50,00,000	-	-	-	-	-	-	50,00,000
- Amount (')	5,00,00,000	-	-	-	-	-	-	5,00,00,000
Year ended 31 March, 2013								
- Number of shares	50,00,000	-	-	-	-	-	-	50,00,000
- Amount (')	5,00,00,000							5,00,00,000

(ii) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of Shares	Number of shares held	% holding in that class of Shares
Equity shares with voting rights				
K.K Maheshwari	10,72,700	21.454	10,72,700	21.454
Canara Securities limited	7,00,408	14.008	7,00,408	14.008
Hiflex Hoses (p) Ltd	0	0.000	3,11,400	6.228
Pramila Maheshwari	5,21,000	10.420	4,21,000	8.420
Gita Devi Maheshwari	11,98,550	23.971	10,48,550	20.971

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE Reserves &amp; Surplus

2	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
	(a) Capital reserve		
	Opening balance	28,000	28,000
	Add: Additions during the year	-	-
	Less: Utilised / transferred during the year	-	-
	Closing balance	28,000	28,000
	(b) General reserve		
	Opening balance	2,82,70,000	2,76,35,000
	Add: Transferred from surplus in Statement of Profit and Loss	3,76,000	6,35,000
	Less: Utilised / transferred during the year	-	-
	Closing balance	2,86,46,000	2,82,70,000
	(c) Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	10,04,49,328	9,76,61,832
	Add: Profit for the year	37,51,270	63,28,059
	Less: Final dividend		
	Dividends proposed to be distributed to equity shareholders		
	Rs. @ 0.50 per share 31.03.2014 ( Rs. @ 0.50 per share 31.03.2013)	25,00,000	25,00,000
	Tax on dividend	4,24,875	4,05,563
	Transferred to:		
	General reserve	3,76,000	6,35,000
	Closing balance	10,08,99,723	10,04,49,328
	<b>Total</b>	<b>12,95,73,723</b>	<b>12,87,47,328</b>
<b>3</b>	<b>Other Long Term Liabilities</b>		
	Trade / security deposits	2,75,000	2,75,000
	<b>Total</b>	<b>2,75,000</b>	<b>2,75,000</b>
<b>4</b>	<b>Long-term provisions</b>		
	(a) Provision for employee benefits:		
	Provision for gratuity	26,36,349	25,25,474
	<b>Total</b>	<b>26,36,349</b>	<b>25,25,474</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>5</b>	<b>Trade payables:</b>		
	Other than Acceptances	<b>2,81,36,823</b>	3,63,81,898
	<b>Total</b>	<b>2,81,36,823</b>	3,63,81,898
<b>6</b>	<b>Other current liabilities</b>		
	(j) Other payables		
	(i) Statutory remittances	<b>2,98,977</b>	2,88,748
	(ii) Contractually reimbursable expenses	<b>3,30,160</b>	3,80,275
	(iv) Other Liabilities	<b>8,529</b>	27,82,163
	<b>Total</b>	<b>6,37,666</b>	34,51,186
<b>7</b>	<b>Short-term provisions</b>		
	Provision - Others:		
	(i) Provision for tax (net of advance tax Rs.NIL/- As at 31.03.2014 (250000/- As on 31.03.2013)	<b>5,82,116</b>	15,11,035
	(ii) Provision for proposed equity dividend	<b>25,00,000</b>	25,00,000
	(iii) Provision for tax on proposed dividends	<b>4,24,875</b>	4,05,563
	<b>Total</b>	<b>35,06,991</b>	44,16,598

**Notes forming part of the financial statements**  
**Note 8 Fixed assets**

Tangible assets	Gross Block				Accumulated depreciation and impairment			Net Block	
	Balance as at 1.04.2013 (Rs.)	Additions (Rs.)	Disposals (Rs.)	Balance as at 31.03.2014 (Rs.)	Balance as at 1.4.2013 (Rs.)	Depreciation amortisation expense for the year (Rs.)	Eliminated on disposal of assets (Rs.)	Balance as at 31 March, 2014 (Rs.)	Balance as at 31 March, 2013 (Rs.)
	(a) Land Freehold	990963	0	0	990963	0	0	0	990963
(b) Buildings Own use	6433331	0	0	6433331	3053756	168979	0	3222735	3379575
(c) Furniture and Fixtures Owned	6023368	25650	0	6049018	5085935	173504	0	5259439	937433
(d) Vehicles Owned	4722674	0	34951	4687723	3914821	209051	34183	4089689	807853
(e) Office equipment Owned	3426174	33000	0	3459174	2584839	117243	0	2702082	841335
(f) Computer Data and Processing Equipments	17793893	527,445	0	18321338	17078232	414337	0	17492569	715661
(g) Electrical Installations	355022	0	0	355022	90523	36,792	0	127,315	264499
<b>Total (A)</b>	<b>39745425</b>	<b>586095</b>	<b>34951</b>	<b>40296569</b>	<b>31808106</b>	<b>1119906</b>	<b>34183</b>	<b>32893829</b>	<b>7402741</b>
<b>Previous year</b>	<b>4,11,08,062</b>	<b>4,47,923</b>	<b>18,10,560</b>	<b>3,97,45,425</b>	<b>3,22,25,625</b>	<b>12,85,026</b>	<b>17,02,545</b>	<b>3,18,08,106</b>	<b>79,37,319</b>
Intangible assets	Gross Block				Accumulated depreciation and impairment			Net Block	
	Balance as at 1.04.2013 (Rs.)	Additions (Rs.)	Disposals (Rs.)	Balance as at 31.03.2014 (Rs.)	Balance as at 1.4.2013 (Rs.)	Depreciation amortisation expense for the year (Rs.)	Eliminated on disposal of assets (Rs.)	Balance as at 31 March, 2014 (Rs.)	Balance as at 31 March, 2013 (Rs.)
	(a) Computer software	6499975	52500	0	6552475	5894915	246799	0	6141714
Total (B)	6499975	52500	0	6552475	5894915	246799	0	6141714	605060
TOTAL(A+B)	46245400	638595	34951	46849044	37703021	1366705	34183	39035543	8542379
Previous year	63,69,893	1,56,082	26,000	64,99,975	55,61,716	3,59,063	25,864	58,94,915	8,08,177
<b>Previous year Grand Total</b>	<b>4,74,77,955</b>	<b>6,04,005</b>	<b>18,36,560</b>	<b>4,82,45,400</b>	<b>3,77,87,341</b>	<b>16,44,088</b>	<b>17,28,409</b>	<b>3,77,03,021</b>	<b>85,42,379</b>

## Notes forming part of the financial statements

Note	Particulars	As at 31 March, 2014			As at 31 March, 2013		
		Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total Rs.
<b>9</b>	<b>Non Current Investments</b>						
	Investments (At cost)						
	Trade investments in Equity Investment (As per Annexure)	<b>3,04,16,523</b>	<b>12,00,038</b>	<b>3,16,16,561</b>	2,47,79,420	12,00,038	2,59,79,458
	Less: Provision for diminution in value of investments			-			-
	<b>Total Investments (A)</b>			<b>3,16,16,561</b>			2,59,79,458
	Aggregate amount of quoted investments			<b>3,04,16,523</b>			2,47,79,420
	Aggregate market value of listed and quoted investments			<b>2,47,38,932</b>			1,47,35,096
	Aggregate value of listed but not quoted investments			<b>NIL</b>			NIL
	Aggregate amount of unquoted investments			<b>12,00,038</b>			12,00,038
	Aggregate provision for diminution (write down) in the value of other investments			-			-



## Notes forming part of the financial statements

Note	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>10</b>	<b>Long-Term loans and advances</b>		
	(a) Membership Deposit With NSE	<b>50,00,000</b>	50,00,000
	(b) Deposit with CD-NSE	<b>35,00,000</b>	35,00,000
	(c) Deposit with Future Segment With NSE	<b>33,00,000</b>	33,00,000
	(d) Deposit for VSAT	<b>50,938</b>	3,50,938
	(e) Deposit for CDSL	<b>5,00,000</b>	5,00,000
	(f) Deposit with BSE	<b>1,25,000</b>	1,25,000
	<b>Total</b>	<b>1,24,75,938</b>	1,27,75,938
<b>11</b>	<b>Current Investments</b>		
	(a) Stock of Securities	<b>5,63,51,928</b>	9,06,38,345
	(b) Others	<b>4,74,537</b>	25,73,999
	<b>Total</b>	<b>5,68,26,465</b>	9,32,12,344
<b>12</b>	<b>Trade receivables</b>		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good	<b>4,68,84,561</b>	23,24,880
	Other Trade receivables		
	Unsecured, considered good	<b>1,48,47,843</b>	2,90,14,229
	<b>Total</b>	<b>6,17,32,404</b>	3,13,39,109

## Notes forming part of the financial statements

Note	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>13</b>	<b>Cash and cash equivalents</b>		
	(a) Cash on hand	1,64,871	88,716
	(b) Balances with banks		
	(i) In current accounts	1,31,39,056	1,40,89,423
	(ii) In deposit accounts (Refer Note (i) below)	2,61,69,071	2,61,69,071
	<b>Total</b>	<b>3,94,72,998</b>	4,03,47,210
	<b>Note:</b> (i) Balances with banks include deposits amounting to Rs. 14421678/- (Rs. 10094715/- As at 31 March, 2013) and margin monies amounting to 'NIL (As at 31 March, 2013 'NIL) which have an original maturity of more than 12 months.		
<b>14</b>	<b>Short-term loans and advances</b>		
	(a) Prepaid expenses - Unsecured, considered good	5,797	1,88,188
	(b) Advance Tax and TDS	3,16,059	7,05,266
	(c) Advance to Others	5,500	18,353
	(d) Advance to Staff	90,000	90,000
	<b>Total</b>	<b>4,17,356</b>	10,01,807
	Directors	-	-
	Other officers of the Company	-	-
	Firms in which any director is a partner	-	-
	Private companies in which any director is a director or member	-	-
<b>15</b>	<b>Other Current Assets</b>		
	(a) Others Deposits	4,40,428	73,75,000
	(b) Accruals		
	Interest accrued on deposits	33,06,342	50,55,501
	<b>Total</b>	<b>37,46,770</b>	1,24,30,501

## Notes forming part of the financial statements

Note	Particulars	For the Year Ended 31.03.2014 Rs.	For the Year Ended 31.03.2013 Rs.
<b>16</b>	<b>Revenus from operations</b>		
	Income from services @ (Refer Note (i) below)	<b>3,01,11,497</b>	4,05,12,620
	Other operating Income # (Refer Note (ii) below)	<b>21,36,700</b>	23,84,959
	<b>Total</b>	<b>3,22,48,197</b>	4,28,97,579
(i)	Income from services @		
	(i) Securities Dealings & Broking	<b>2,55,15,373</b>	3,24,21,380
	(ii) Consultiancy Fee	<b>5,15,800</b>	14,94,260
	(iii) Register & Share Transfer Fee	<b>27,34,615</b>	47,74,277
	(iv) Demat/Depository Fee	<b>10,70,709</b>	12,97,703
	(v) Merchant Banking	<b>2,75,000</b>	5,25,000
	<b>Total - Income from services</b>	<b>3,01,11,497</b>	4,05,12,620
(ii)	Other operating Income #		
	Interst Income	<b>21,36,700</b>	23,84,959
	<b>Total - Other operating Income</b>	<b>21,36,700</b>	23,84,959
<b>17</b>	<b>Other income</b>		
	(a) Other Income	<b>2,95,046</b>	10,34,061
	(b) Other non-operating income comprises: Profit on sale of fixed assets	<b>732</b>	69,968
	<b>Total - Other non-operating income</b>	<b>2,95,778</b>	11,04,029
<b>18</b>	<b>Employee benefits expense</b>		
	Salaries	<b>97,21,372</b>	1,11,69,660
	Training and Development Expenses	<b>5,10,626</b>	2,31,169
	Staff welfare expenses	<b>3,81,392</b>	4,15,383
	<b>Total</b>	<b>1,06,13,390</b>	1,18,16,212
<b>19</b>	<b>Finance cost</b>		
	(a) Interest expense on:		
	Others	<b>25183</b>	1560
	<b>Total</b>	<b>25,183</b>	1,560

## Notes forming part of the financial statements

Note	Particulars	For the Year Ended 31.03.2014 Rs.	For the Year Ended 31.03.2013 Rs.
<b>20</b>	<b>Other expenses</b>		
	Demat/CDSL Charges	3,74,212	4,62,190
	SEBI Charges	48,615	57,940
	Share with Bussiness Associates	52,15,053	64,37,461
	Transaction Charges	16,84,316	26,25,292
	Membership Fees	4,65,480	7,94,041
	VSAT Charges	24,606	3,48,000
	Security Tansaction Tax	12,11,507	18,48,493
	Telephone Charges	7,52,035	7,26,731
	Bandwidth Charges	8,010	54,400
	Conveyance Charges	99,140	1,36,169
	Rent	2,21,520	3,77,863
	Repairs and maintenance - Buildings	1,27,273	1,41,635
	Repairs and maintenance – Vehicles	2,82,674	4,53,564
	Repairs and maintenance - Others	9,16,400	14,26,950
	Insurance	6,53,697	6,58,064
	Travelling Expenses	2,22,663	4,17,831
	Printing and stationery	1,68,466	2,41,057
	Postage Expenses	1,13,261	1,74,698
	News Paper	14,401	16,638
	Payments to auditors (Refer Note (i) below)	2,04,000	2,51,199
	Festival Expenses	31,914	44,208
	Director Sitting Fees	1,36,000	1,04,000
	General Expenses	2,17,369	1,85,345
	Office Maintenance	3,58,506	4,22,901
	Advertismnt Expenses	54,311	24,787
	Bank Charges	12,09,897	11,67,280
	Consultancy Charges	1,85,300	3,77,100
	Computer Maintenance	3,64,965	3,65,612
	Electricity Charges	10,91,982	9,86,071
	Filing Fees	8,944	9,892
	Rates and Taxes	1,76,954	1,84,864
	R&TMiscellaneous expenses	32,847	88,584
	<b>Total</b>	<b>1,66,76,318</b>	<b>2,16,10,860</b>
(i)	<b>Notes:</b> Payments to the auditors comprises As auditors - statutory audit For taxation matters For Tax Audit Fee For Certification For other Expenses <b>Total</b>	 <b>90,000</b> <b>4,000</b> <b>60,000</b> <b>50,000</b> <b>0.00</b> <b>2,04,000</b>	 <b>90,000</b> <b>50,000</b> <b>60,000</b> <b>50,000</b> <b>1,199</b> <b>2,51,199</b>

**CIL SECURITIES LIMITED****Notes forming part of the financial statements****Note Particulars****21. Corporate information**

M/s.CIL Securities Limited Incorporated in the year 1989.CIL today is a diversified Financial Company and are member of the National Stock Exchange of India Ltd and the Bombay Stock Exchange Ltd besides member of MCX, NSEL and NCDEX Exchange through Group Company providing services in Capital Market, F&O, Currency, Mutual Fund and Commodities Segment. CIL is also a Merchant Banker, Registrar and Share Transfer Agent and Depository Participant.CIL is maintaining a flawless trading and accounting system and real time information is being disseminated on the website of the company www.cilsecurities.com. At CIL, we adopt the latest technology in business and are constantly updating our self to be with time and technology is being harvested to its utmost advantage and to provide quality and cost effective service.A spectrum of diversified activity is being provided by qualified and experienced manpower deployed at CIL.CIL is a Listed Company on the Bombay Stock Exchange.

**21 Significant accounting policies****21.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year .

**21.2 Use of estimates**

The preparation of the financial statements are in conformity with Indian GAAP which requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise..

**21.3 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**21.4 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or

payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**21.5 Depreciation and amortisation**

Depreciation has been provided on the written down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 .

Intangible assets are amortised over their estimated useful life as follows:

Intangibles – 3 – 5 years.

Amortisation of Product marketing rights over 15 years is based on the term of the marketing right acquired and the economic benefits that are expected to accrue to the Company over such period.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

**21.6 Revenue recognition**Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

**21.7 Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for on receipt basis.

**21.8 Tangible Fixed Assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

The Company has not revalued its assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

**21.9 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts

and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

#### 21.10 Foreign currency transactions and translations

##### Initial recognition

Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

##### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

##### Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

#### 21.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

#### 21.12 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

##### Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they

fall due based on the amount of contribution required to be made.

##### Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

##### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

##### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

#### 21.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been

included under "unallocated revenue / expenses / assets / liabilities".

#### 21.14 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### 21.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

Current and deferred tax relating to items directly recognised in equity and not in the Statement of Profit and Loss.

#### 21.16 Research expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Value addition costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

#### 21.17 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

#### 21.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

#### 21.19 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

#### 21.19 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying services are received and are accounted and when there is no uncertainty in availing / utilising the credits.

## Notes forming part of the financial statements

Note	Particulars	As at 31.03.2014 (Rs)	As at 31.03.2013 (Rs)
<b>21</b>	<b>Additional information to the financial statements</b>		
21.21	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	<b>4.75 Lacs</b>	4.75 Lacs
	(b) Guarantees	<b>1000 Lacs</b>	1000 Lacs
	(c) Other money for which the Company is contingently liable	<b>NIL</b>	NIL
	<b>(d) These are disclosed by way of notes to the Balance Sheet. Provision is made in the accounts in respect in 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.</b>		
21.22	<b>Expenditure in foreign currency #:</b>	<b>For the year ended 31 March, 2014 ₹</b>	<b>For the year ended 31 March, 2013 ₹</b>
	Professional and consultation fees	<b>NIL</b>	NIL
	Other matters	<b>NIL</b>	NIL
21.23	<b>Earnings in foreign exchange</b>		
	Professional and consultation fees	<b>NIL</b>	NIL
	Other income-Broking Services	<b>NIL</b>	NIL
21.24	<b>Amounts remitted in foreign currency during the year on account of dividend ##</b>		
	Amount of dividend remitted in foreign currency	<b>NIL</b>	NIL
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	<b>NIL</b>	NIL
	Total number of shares held by them on which dividend was due	<b>NIL</b>	NIL
	Year to which the dividend relates	<b>NIL</b>	NIL
21.25	<b>Employee benefit plans</b>		
	Defined contribution plans		
	The Company makes Provident Fund contribution for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised 'Rs.50660/- (Year ended 31 March, 2014) for Provident Fund contributions and Rs.65364/- (Year ended 31 March, 2013) for contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.		



## Notes forming part of the financial statements

Note					
<b>21.26</b>	<b>Computation of net profit in accordance with Section 198 read with section 349 of the Companies Act, 1956 for MD:-</b>				
	<b>PARTICULARS</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>		
	Profit before Taxation	38.62	89.29		
	Add: Managerial Remuneration	28.94	23.36		
	Add: Directors Sitting Fees	1.36	1.04		
	Less: Profit on sale of Fixed Assets	0.01	0.70		
	less: Extra Ordinary items	0.00	0.00		
	Net profit as per Section 198 of the Companies Act, 1956	68.91	112.99		
	Remuneration payable:				
	Minimum / @ 5% of the above profits to the Managing Director	3.45	5.65		
	Managerial Remuneration comprises:				
	Salary and Allowances	13.00	13.00		
	Medical Reimbursement	0.22	0.17		
	Perquisites	0.73	0.56		
	Commission	-	-		
	<b>Total</b>	<b>13.95</b>	<b>13.73</b>		
<b>21.27</b>	<b>Related party transactions</b>				
	<b>Details of related parties:</b>				
	<b>Description of relationship</b>	<b>Names of related parties</b>			
(a)	Subsidiaries	NIL			
(b)	Key Management Personnel (KMP)	Shri K.K.Maheshwari Shri Piyush Modi Shri A.K.Inani			
(c)	Relatives of KMP	Smt. Gita Devi Maheshwari Smt. Pramila Maheshwari Km. Vidhi Maheshwari Shri. S.M.Agarwal Smt. Chanda Agarwal Smt. Barkha Modi Smt. Neera Inani			
(d)	Company in which KMP / Relatives of KMP can exercise significant influence	CIL Industries Limited CIL Commodities (P) Limited Canara Securities Ltd Gita Finvest (P) Ltd Piyush Stock Broking Services Pvt.Ltd Piyush Crefinvest Pvt.Ltd Lotus Stock Markets Pvt.Ltd K K Maheshwari & Others			
	Note: Related parties have been identified by the Management.				
(e)	<b>Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2014</b>				
		Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
	Licence Agreement	-	-	-	-
	Remuneration	-	(18,000/-) <b>2894495/-</b> (2336002/-)	-	-
	Director's Fees	-	-	<b>20,000/-</b> (16,000/-)	-
	Services Rendered	-	<b>1,466/-</b> (1,502/-)	<b>53,237/-</b> (2,501/-)	<b>11123/-</b> (8829/-)
	Outstanding payable (Net of receivable)	-	-	<b>-1294</b>	<b>3,28,147/-</b> (-30,18,878/-)

Note	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
21.28	<p><b>Earnings per share</b></p> <p><u>Basic</u></p> <p><u>Continuing operations</u></p> <p>Net profit / (loss) for the year from continuing operations</p> <p>Less: Preference dividend and tax thereon</p> <p>Net profit / (loss) for the year from continuing operations attributable to the equity shareholders</p> <p>Weighted average number of equity shares</p> <p>Par value per share</p> <p>Earnings per share from continuing operations - Basic</p>	<p></p> <p></p> <p><b>37,51,270</b></p> <p>-</p> <p><b>37,51,270</b></p> <p><b>50,00,000</b></p> <p><b>10</b></p> <p><b>0.75</b></p>	<p></p> <p>63,28,059</p> <p>-</p> <p>63,28,059</p> <p>50,00,000</p> <p>10</p> <p>1.26</p>
21.29	<p><b>Deferred tax (liability) / asset</b></p> <p><u>Tax effect of items constituting deferred tax liability</u></p> <p>On difference between book balance and tax balance of fixed assets</p> <p>Tax effect of items constituting deferred tax liability</p> <p><u>Tax effect of items constituting deferred tax assets</u></p> <p>Provision for compensated absences, gratuity and other employee benefits</p> <p>On difference between book balance and tax balance of fixed assets</p> <p>Brought forward business losses</p> <p>Tax effect of items constituting deferred tax assets</p> <p><b>Net deferred tax (liability) / asset</b></p> <p>The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits.</p>	<p></p> <p><b>3,58,636</b></p> <p><b>3,58,636</b></p> <p></p> <p><b>8,96,095</b></p> <p><b>1,27,099</b></p> <p>-</p> <p><b>10,23,194</b></p> <p><b>6,64,558</b></p>	<p></p> <p>8,13,609</p> <p>8,13,609</p> <p></p> <p>8,58,409</p> <p>1,23,938</p> <p>-</p> <p>9,82,347</p> <p>1,68,738</p>

**Notes forming part of the financial statements  
Disclosures Under Accounting Standards (Contd.)**

Note	Note	Particulars	For the year ended 31 March, 2014							(Rs.In Lacs)
			Business segments					Eliminations		
Segment information			A	B	C	D	E			
			Securities Dealing and Broking	Merchant Banking Fee	Consultancy Fee	Registrar & Share Transfer agents	Demat / Depository			
	21.30	<p>The Company has identified business segments as its primary segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. "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."</p>								
		Revenue	255.15	2.75	5.16	27.35	10.70	-	301.11	
		Inter-segment revenue	-	-	-	-	-	-	-	
		Total	255.15	2.75	5.16	27.35	10.70	-	301.11	
		Segment result	43.66	1.50	3.60	7.13	2.61	-	58.50	
		Unallocable expenses (net)							22.84	
		Operating income							35.66	
		Other income (net)							2.96	
		Profit before taxes							38.62	
		Tax expense (Net)							1.11	
		Net profit for the year							37.51	

**Notes forming part of the financial statements  
Disclosures Under Accounting Standards (Contd.)**

Note	Note	Particulars	For the year ended 31 March, 2014					(Rs. In Lacs)
			Business segments					
			A	B	C	D	E	
			Securities Dealing and Broking	Merchant Banking Fee	Consultancy Fee	Registrar & Share Transfer agents	Demat / Depository	Total
		Segment assets	1989.74	5.75	0.00	40.38	33.10	2068.97
		Unallocable assets						78.70
		Total assets (Common)						2147.67
		Segment liabilities						2147.67
		Unallocable liabilities						-
		Total liabilities (Common)						2147.67
		Other information						
		Capital expenditure (allocable)	6.39	-	-	-	-	6.39
		Capital expenditure (unallocable)	-	-	-	-	-	-
		Depreciation and amortisation (allocable / Common)						13.67
		Depreciation and amortisation (unallocable)	-	-	-	-	-	-
		Other significant non-cash expenses (allocable) (give details)	-	-	-	-	-	-
		Other significant non-cash expenses (unallocable)	-	-	-	-	-	-
<b>Notes forming part of the financial statements Disclosures Under Accounting Standards (Contd.)</b>								
Note	Note	Particulars	For the year ended 31 March, 2013					(Rs. In Lacs)
			Business segments					
			A	B	C	D	E	
			Securities Dealing and Broking	Merchant Banking Fee	Consultancy Fee	Registrar & Share Transfer agents	Demat / Depository	Total
		Revenue	324.22	5.25	14.94	47.74	12.98	405.13
		Inter-segment revenue	-	-	-	-	-	-
		Total	324.22	5.25	14.94	47.74	12.98	405.13
		Segment result	92.77	1.31	11.23	12.84	3.34	121.49
		Unallocable expenses (net)						43.24
		Operating income						78.25
		Other income (net)						11.04
		Profit before taxes						89.29
		Tax expense (Net)						26.01
		Net profit for the year						63.28

**Notes forming part of the financial statements  
Disclosures Under Accounting Standards (Contd.)**

Note	Particulars	For the year ended 31 March, 2013					(Rs. In Lacs)	
		Business segments						Eliminations
		A	B	C	D	E		
	Securities Dealing and Broking	Merchant Banking Fee	Consultancy Fee	Registrar & Share Transfer agents	Demat / Depository	Total		
	Segment assets	2090.07	6.75	0.00	43.80	35.10	2175.72	
	Unallocable assets						-	
	Total assets (Common)						82.25	
	Segment liabilities						2257.97	
	Unallocable liabilities						-	
	Total liabilities (Common)						2257.97	
	Other information						-	
	Capital expenditure (allocable)	6.04	-	-	-	-	6.04	
	Capital expenditure (unallocable)	-	-	-	-	-	-	
	Depreciation and amortisation (allocable / Common)						-	
	Depreciation and amortisation (unallocable)						16.44	
	Other significant non-cash expenses (allocable) (give details)						-	
	Other significant non-cash expenses (unallocable)						-	
21.31	Fixed deposits, Securities, and Office Buildings have been assigned towards collateral/margin deposit to bank against guarantees issued by them followed by personal guarantee given by Promoter Directors.							
21.32	Balances of Sundry Debtors and Sundry Creditors are subject to confirmation.							
21.33	"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."							
21.34	Previous Year figures have been regrouped / rearranged wherever considered necessary.							

In terms of our report attached.  
For RamKishore Jhawar & Associates  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CIL Securities Limited**

K.K.Maheshwari  
Chairman & Managing Director  
A.K.Inani  
Director - Finance

CA Ram Kishore Jhawar  
Proprietor  
M.No. 27970 & Firm No:003016S

Place : Hyderabad  
Date : 17.05.2014

**CIL SECURITIES LIMITED**  
**ANNEXURE: DETAILS OF INVESTMENTS AS AT 31st MARCH, 2014**

NAME OF THE SCRIP	Nos	As At	Market	Nos	As At	Market
		31.03.2014	value as on		31.03.2013	value as on
		Cost Price	31.03.2014		Cost Price	31.03.2013
		Rs.			Rs.	
<b>A. IN OTHER COMPANIES (QUOTED)</b>						
<b>EQUITY SHARES</b>						
ANDHRA SUGAR	5000	543818	491500	5000	543817	669500
ALLIDE DIGITAL	0	0	0	15000	1585004	154500
AMARA RAJA	0	0	0	4000	381980	1098200
BANCO PROD	23453	2714021	1686270	23453	2714021	955710
BANK OF INDIA	2500	512501	571250	0	0	0
CANARA BANK	2000	499926	528700	1000	155000	384050
CENTURY ENKA	20000	4537304	2845000	20000	4537303	2015000
DECCAN CHRON	10000	1207736	30400	10000	1207735	31900
EXCEL CROP	0	0	0	5000	1407913	787250
ESCORTS LTD	6000	685799	691500	0	0	0
GEOMET SOFSO	5000	569945	577750	0	0	0
GUJ PETRONET	10000	917502	693000	10000	917502	670000
HERCULES HOI	5000	563759	577250	0	0	0
HERITAGE FOOD	3000	606137	602100	0	0	0
HEXAWARE LTD	0	0	0	10000	448251	845500
IDEA CELL	6000	860551	824700	0	0	0
INDIA CEMENT	10000	712502	608500	10000	712502	836500
INDOCO REM	4000	532164	562400	0	0	0
JK PAPER	10000	614761	300000	10000	614761	280000
J K TYRE	4000	698242	709400	0	0	0
JINDAL STEEL & POWER	2000	582201	584900	0	0	0
KESORAM IND	3897	253305	282338	2874	853573	245727
KOTHARI SUG	0	0	0.00	733	6231	6121
MICRO TECH	0	0	0	10000	887334	299500
M M FORGINGS	1200	164263	142680	1200	164263	86520
MIC ELECTRONICS	0	0	0	10000	424661	34500
NAV BHARAT VEN	5000	974339	788500	5000	974338	837000
NIIT TECHNO	4000	1690877	1610200	0	0	0
PFIZER	0	0	0	1000	1160002	1060050
PAPER PRODUT	8000	722844	715200	0	0	0
POLARIS	0	0	0	10000	1615003	1113000
POWER FINAN	4000	696602	772800	0	0	0
PTC INDIA	10000	642892	678000	0	0	0
RELIANCE COM	0	0	0	3000	511366	165900
RAIN COMMODITIES	0	0	0	20000	588004	950000
RECLTD(RURAL ELEC)	4000	830189	918800	0	0	0
SANGHI IND	5184	103680	82944	5184	103680	78278
SAINT GOBAIN	10000	383855	147700	10000	383854	221500
SR RAYAK ALK	10000	165002	89700	10000	165002	74500
SURYALAXMI COTTON	5000	673877	217500	5000	673877	300000
SRINIVAS HATC	0	0	0	25	2475	1390
SESA STERLITE LTD	3000	557252	565650	0	0	0
SONAT SOFTWR	20000	937805	878000	0	0	0
ST TRAD CORP	3000	516953	540900	0	0	0
SUN PHARMA LTD	2000	1130002	1149500	0	0	0
TATA STL	2000	745401	787900	0	0	0
TVS MOTOR LTD	10000	828549	971000	0	0	0
TEXMACO LTD	20000	1039967	515000	20000	1039967	533000
<b>TOTAL (A)</b>	<b>258234</b>	<b>30416523</b>	<b>24738932</b>	<b>237469</b>	<b>24779420</b>	<b>14735096</b>
<b>B IN OTHER COMPANIES (UNQUOTED)</b>						
<b>EQUITY SHARES</b>						
CANARA SECURITIES LIMITED	300000	1200038		300000	1200038	
<b>TOTAL (B)</b>	<b>300000</b>	<b>1200038</b>		<b>300000</b>	<b>1200038</b>	
<b>GRAND TOTAL (A+B)</b>	<b>558234</b>	<b>31616561</b>		<b>537469</b>	<b>25979458</b>	

In terms of our report attached.  
For RamKishore Jawar & Associates  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CIL Securities Limited**

CA Ram Kishore Jawar  
Proprietor  
M.No. 27970 & Firm No:003016S

K.K.Maheshwari  
Chairman & Managing Director

A.K.Inani  
Director - Finance

Place : Hyderabad  
Date : 17.05.2014

Form No. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L67120AP1989PLC010188

Name of the company : **CIL SECURITIES LIMITED**

Registered Office : 214, Raghava Ratna Towers, Chirag Ali Lane, Anids, Hyderabad – 500001, Andhra Pradesh

Name of the Member (s) :

Registered address :

E-mail Id :

Folio No./ Client Id & DP ID :

I/We, being the Member(s) of.....shares of the above named company, hereby appoint :

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll )for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Monday, 28th Day of July, 2014 at 11.00 A.M. at 608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad -001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Nos.

- |  |   |
|--|---|
| 1. <input type="checkbox"/> Adoption of Accounts and Reports             | 4. <input type="checkbox"/> Appointment of Appointment of Director retiring by rotation     |
| 2. <input type="checkbox"/> Declaration of Dividend                      | 5. <input type="checkbox"/> Appointment of Auditors   |
| 3. <input type="checkbox"/> Appointment of Director retiring by rotation | 6. <input type="checkbox"/> Approval of reappointment and remuneration of Managing Director |

Signed this \_\_\_\_day of \_\_\_\_\_2014

Signature of shareholder

Signature of Proxy holder(s)



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Attendance Slip**

Attendance by

(Please tick the appropriate box)

Member

Proxy

Authorised Representative

I hereby record my presence at the 25th Annual General Meeting of the Company being held on Monday, 28<sup>th</sup> Day of July, 2014 at 11.00 A.M. at 608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad -001.

Name of Proxy (in BLOCK LETTERS)

Shareholder's/Proxy's Signature

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT WITH THEM TO THE ANNUAL GENERAL MEETING

**BOOK-POST**

If undelivered, please return to :

**CIL Securities Limited**

608, Raghava Ratna Towers, North Block  
(Medwin Hospital Complex),

Chirag Ali Lane Nampally, Hyderabad- 500001





# CIL securities Ltd

REGD. OFF : 214, RAGHAVA RATNA TOWERS, CHIRAG ALI LANE, ABIDS, HYDERABAD - 500 001.

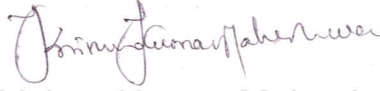
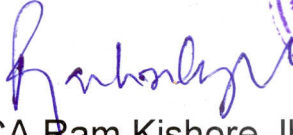
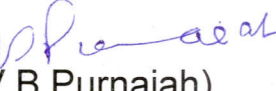
PHONE NO. OFF : 040-23202465, 23203155, FAX : (040) 23203028, 66661267

E.mail : advisors@cilsecurities.com, cilsec@rediffmail.com

CIN: L67120TG1989PLC010188

## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	CIL Securities Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NA
5.	To be signed by-	
	• Managing Director	 (Krishna Kumar Maheshwari) DIN: 00223241
	• CFO	—
	• Auditor of the company	 (CA Ram Kishore Jhawar)
	• Audit Committee Chairman	 (V.B.Purnaiah) DIN: 00284637