



# 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  
E.mail : advisors@cilsecurities.com  
CIN No - L 67120TG1989PLC010188

CILSEC/SEC/LODR/2017

Date 04.10.2017

To  
BOMBAY STOCK EXCHANGE LIMITED,  
FLOOR 25, PHIROZE JEEJEBHOY TOWERS,  
DALAL STREET,  
MUMBAI- 400001.

Dear Sir/Madam,

**Sub: Submission of Annual Report Under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015-Reg**

**Ref: Our Stock Code: 530829**

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we hereby submit the Annual Report of our Company for the Financial Year 2016-17.

Thanking You,

Yours Truly,

For CIL Securities Limited

  
K.K Maheshwari  
Managing Director  
DIN: 00223241



Encl: A/a

# **CIL SECURITIES LIMITED**

**(CIN : L67120TG1989PLC010188)**



**ANNUAL REPORT**  
**2016-17**

---

**Company Information****Board of Directors**

K K Maheshwari	Chairman and Managing Director
Piyush Modi	Executive Director
A K Inani	Director - Finance / CFO
Pramila Maheshwari	Non Executive Director
F R Bhote	Independent Director
Budhi Prakash Toshniwal	Independent Director

**Solicitors**

K Balakrishna & Associates  
No1-1-336/140,Chikkadpally  
Hyderabad- 500 020

**Independent Directors Committee**

Budhi Prakash Toshniwal  
F.R. Bhote

**Principal Bankers**

Kotak Mahindra Bank Limited  
HDFC Bank

**Risk Management Committee**

K K Maheshwari  
A K Inani  
Piyush Modi  
Pramila Maheshwar

**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

**Audit Committee**

Budhi Prakash Toshniwal  
Pramila Maheshwari  
F.R. Bhote

**Corporate Office**

130-132, Room No. 20,  
II Floor, Great Western Building  
Opp. Lions Gate, Fort,  
Mumbai-400023

**Stakeholder's Relationship Committee**

Pramila Maheshwari  
F.R. Bhote  
Budhi Prakash Toshniwal

**Registrar & Share Transfers In House**

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

**Nomination & Remuneration Committee**

F.R. Bhote  
Budhi Prakash Toshniwal  
Pramila Maheshwari

**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

**Company Secretary**

Govind Toshniwal

## NOTICE

Notice is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of CIL Securities Limited will be held on **Thursday, the 28<sup>TH</sup> Day of September 2017** at 608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Abids, 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, 2017, the Statement of Profit & Loss of the Company for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare Dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2017.
- 3) To appoint a Director in place of Shri K K Maheshwari, who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Shri Piyush Modi, who retires by rotation at this Annual General

Meeting, and being eligible, offers himself for reappointment.

- 5) To Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditor) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) M/s Sridhar Jhawar and Associates be and is hereby appointed as the Statutory Auditors of the Company until the conclusion of Annual General Meeting to be held for the FY 2021-22 (for a term of 5 years) subject to the ratification in the every Annual General Meeting to be held till the conclusion of the 33rd Annual General Meeting, with remuneration as may be decided by the Board of Directors of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

**By Order of the Board of Directors of**  
**CIL SECURITIES LIMITED**

**Place: Hyderabad**  
**Date: 27.05.2017**

**K K Maheshwari**  
**Chairman & Managing Director**  
**DIN: 00223241**

**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. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days except Saturdays and Sundays, between 11.00 AM and 1.00 PM up to the date of the Meeting.
7. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, No of Companies in which they hold directorships and memberships / Chairmanships of Board Committees, shareholding and relationships between directors inter - se stipulated thereto.
8. In terms of the provisions of Companies Act 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund. Accordingly, the Company would be transferring the Final Dividend for the year ended 31st March 2010. Shareholders are requested to ensure that they claim the dividends referred to above, before it is transferred to the said fund.
9. The Shareholders are expected to send their queries on Annual Report to the Company Secretary, at least 7 days before the date of meeting, so that the requisite information/explanations can be provided in time.
10. (a) The Company has already notified the record date i.e 22nd September, 2017 for determining the names of Member eligible for Dividend on Equity shares.
  - (b) The dividend on Equity shares, if declared at the Meeting, will be paid on or after 28th Day of September 2017 to those members whose names shall appear on the Company's Register of Members on 22nd September 2017; 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 Centra Depository Services (India) Limited as beneficial owners on date.
11. (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.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
13. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.cilsecurities.com](http://www.cilsecurities.com) and also on website of the Stock Exchange where the Equity Shares of the Company are traded.
14. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
15. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
16. 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 3 days from 9.00 AM of 25th Day of September 2017 to 5.00 PM of 27th September 2017
  - vi. The Board of Directors at their meeting have appointed Mr. Thomas Joseph Lloyd, Practicing Advocate 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.
  - vii. Vote once cast by the member cannot be changed/ altered.
18. 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](http://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](http://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:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
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 (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.  * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. <b>PAN / Sequence Number is available on bottom side of the Sticker</b>	
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.	

- 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 Remote voting period begins at 9.00 AM of 25th Day of September 2017 to 5.00 PM of 27th September 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd, Sep, 2017 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).
19. 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.
20. 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.
21. 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.
22. 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.
23. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd Sep, 2017.
24. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd Sep, 2017 may obtain the login ID and password by sending an email to [rta@cilsecurities.com](mailto:rta@cilsecurities.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on <https://www.evotingindia.com>
25. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
26. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
27. Shri Thomas Joseph Lloyd, Practicing advocate has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
28. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 48 hours of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
29. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of CDSL and shall be communicated to BSE Limited.

By Order of the Board of Directors of  
**CIL SECURITIES LIMITED**

**KK Maheshwari**  
Chairman & Managing Director  
DIN: 00223241

**Registered office**

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

**Place :** Hyderabad  
**Date :** 27.05.2017



**Details as required under Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-**

**ITEM 3**

**Shri K.K.Maheshwari** is a graduate in Commerce and has experience in the line of investments activity and has more than 29 years of experience. He is the Promoter Director of the Company and has been associated with Company's development and diversification plans. He has experience in Merchant Banking, Registrar & Share Transfer Agents, Stock Broking Activity and other diversified financial activities. He is a Member of the Shareholders'/Investor Grievance Committee of the Company.

Shri K.K.Maheshwari holds 1072700 Equity shares of the Company representing 21.45 percent of the paid up share capital as on 31st March, 2017

He is the Chairman and Managing Director of the Company.

He holds the directorships in the following Companies:

- ✦ CIL Commodities Private Limited.
- ✦ CIL Industries Limited
- ✦ Gita Finvest Private Limited
- ✦ Mahesh Vidya Bhavan Limited

**ITEM 4**

**Shri Piyush Modi** is a graduate in Commerce and is having more than 20 years of experience in financial services and Capital Market Operations. Shri Piyush Modi holds 500 Equity shares of the Company representing 0.01 percent of the paid up share capital as on 31st March, 2017.

He is the Executive Director of the Company.

He holds the directorships in the following Companies:

- ✦ Om Crushed India Private Limited
- ✦ Jhansi Plastics Private Limited
- ✦ KRP Concretes Private Limited.
- ✦ Piyush Stock Broking Services Private Limited

**ITEM 5**

Section 139 of the Companies Act, 2013 ('the Act') which became effective from April 1, 2014, read with the Rules made thereunder provides for mandatory rotation of statutory auditors.

In terms of Section 139(2) of the Act, the maximum tenure of the audit firm is restricted to two consecutive terms of 5 years each. The Rules also lay down the transitional period for which the existing auditors who have completed 10 years before the Act becoming effective can continue to act as statutory auditors.

M/s. Ram Kishore Jhawar and associates, Chartered Accountants have been the Statutory Auditors of the Company for more than 10 years and will be completing the transitional period at the conclusion of the Twenty Eighth Annual General Meeting (AGM) of the Company scheduled to be held on September 28, 2017.

The Audit Committee and the Board of Directors of the Company at their respective meetings held on May 27, 2017, have considered and recommended, the appointment of M/s Sridhar Jhawar and Associates, Chartered Accountants, as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the Twenty Eighth AGM till the conclusion of the Thirty Third AGM to the Members of the Company.

M/s Sridhar Jhawar and Associates, Chartered Accountants have consented to act as the Statutory Auditors of the Company and have also provided their written confirmation that their appointment, if made, would be in accordance with the provisions of Section 139(1) of the Act read with Companies (Audit and Auditors) Rules, 2014 and that they further satisfy the criteria provided under Section 141 of the Act.

The Board commends passing of the Ordinary Resolution set out at item no. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at item no. 5 of the Notice.

By Order of the Board of Directors of  
**CIL SECURITIES LIMITED**

**KK Maheshwari**  
Chairman & Managing Director  
DIN: 00223241

**Registered office**

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

**Place :** Hyderabad

**Date :** 27.05.2017

## Directors' Report

Dear Members,

Your Directors present the 28th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2017.

## FINANCIAL RESULTS

The Financial performance of the Company for the Financial Year ended 31st March, 2017 is summarized below:

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31.03.2017	31.03.2016
Total Revenue	934.69	461.48
Profit before Interest, Depreciation & Tax	506.93	109.33
Profit before Depreciation and Tax	506.56	109.31
Depreciation	15.51	13.98
Profit Before Tax	491.05	95.33
Extraordinary Income	(433.87)	70.09
Less: Provision for Tax (Net)	10.24	33.86
Profit After Tax	46.94	131.56
Add: Balance Brought Forward from the last year	1171.96	1083.64
Profit available for Appropriation	1218.90	1215.20
<b>Appropriations:</b>		
Proposed Equity Dividend	25.00	25.00
Tax on Dividend	5.09	5.08
Transfer to General Reserve	4.85	13.16
Balance carried forward to Balance sheet	1183.96	1171.96
<b>Total Appropriations</b>	<b>1218.90</b>	<b>1215.20</b>

The Company's Profit after Tax is Rs. 46.94Lacs (Previous Year Rs. 131.56 Lacs). The Board recommends transfer of a sum of Rs. 4.85Lacs (Previous Year Rs. 13.16 Lacs) to General Reserve.

## DIVIDEND

Your Directors are pleased to recommend the payment of dividend on equity shares @ Rs. 0.50 per share for the financial year ending 31-03-2017. The total dividend together with tax and surcharge there on amount to Rs30.09 Lacs (Previous year Rs. 30.08 Lacs).

## MARKET SCENARIO

Indian stocks have risen to new highs this fiscal year despite a series of developments perceived to be negative to the markets. From the UK's referendum to leave the European Union, Donald Trump's victory in the US presidential election, the US Federal Reserve's decision to hike interest rates and Prime Minister's demonetisation move, the year was action-packed, to say the least.

Despite global events impacting risk sentiments during the year, the positives of the domestic economy supported the market; which included a normal monsoon, moderating inflation and implementation of the seventh Pay Commission award, all of which are expected to boost consumption.

The watershed moment of the year came when the Prime Minister announced on November 8th, 2016 that on the stroke of midnight all 500 and 1,000 rupee notes - 86% of the currency in circulation - would cease to become legal tender. On the back of this news the NIFTY crashed almost 7% as market participants tried to decipher the possible effect such a move would have on a cash transaction reliant market such as India.

But the onset of calendar year 2017 have saw the Indian markets embark on a rally supported by India's economic growth potential, BJP's historic win in the Uttar Pradesh elections and a surge of liquidity funded by increase in SIPs which took the NIFTY to new highs in the last days of the fiscal year as it broke the 9000 barrier, gaining close to 16% from the post demonetization lows.

The domestic equity indices ended FY 2017 with good gains amid volatility in the frontline indices NIFTY gaining 19 per cent. The midcap index had a good year with 37 per cent gain. Cyclical sectors outperformed defensives during the year. Metals (62 per cent), Oil & Gas (38 per cent), Auto (22 per cent) and Bank (33 per cent) stocks were supported by a rally in global commodity prices and easing of the domestic money policy. Pharma (-5 per cent) and IT (3 per cent) were the under performers as they remained under pressure given the global scenario.

## MARKET OUTLOOK

The momentum in the Indian markets will be carried into the next financial year as they are expected to perform better than they did in FY17. Even after demonetization, the Indian economy is expected to grow above 7.5% in the coming year as it will get a boost from the expectation of normal monsoon which would revive rural demand with increase in spending, ability which in turn will push earnings growth of FMCG, consumer durables, agri inputs, fertiliser and cement companies amongst others and give more room to the RBI to cut interest rates going forward. The implementation of GST and its impact on earnings due to stock adjustment and implementation hurdles for next one or two quarters have to be seen. In the long run GST overall is likely to increase GDP by 2% per annum.

The equity market is getting support from domestic fund flows through mutual funds which are flush with funds due to sharp rise in the number of SIPs and rising flows from National Pension Scheme and the Employee Provident Fund Organisation (EPFO). Domestic money flow outstripped foreign fund flows in a cumulative two-year cycle in FY16-17 for the first time in seven years while a broad-based comparison of

stock ownership suggests favourable tailwind for Indian funds and investors. The alternatives to equity investment like Gold have become too volatile and do not assure that value will grow consistently and with government cracking down on benami properties and real estate transaction, investors are getting weary of property market. FDs and Bonds yields are just about sufficient to cover the risk of inflation. Under such circumstances, only equity linked products remain as veritable investment options for wealth creation. This could be a key driver for Indian equities.

### SHARE CAPITAL

During the Financial Year 2016-17, the share capital of the Company has remained unchanged

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return, in format MGT -9, for the Financial Year 2016-17 has been enclosed with this report.

### NUMBER OF BOARD MEETINGS

The Details of the number of meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report

### PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act 2013 Shri K K Maheshwari and Shri Piyush Modi, retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

(including criteria for determining qualification, positive attributes, independence of a director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

### Policy on Directors Appointment

Policy on Directors appointment is to follow the criteria as laid down under the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and good corporate practices. Emphasis is given to persons from diverse fields or professions.

### Policy on Remuneration

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that -

- ✦ Remuneration to Key Managerial Personnel, Senior Executives, Managers and staff is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.
- ✦ For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

### ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

### DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the Independence stipulated in the aforesaid section

### REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 and Companies (Particulars of Employees) Rules 1975, in respect of employees of the Company and Directors is furnished hereunder:

### A) Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2016-17 as follows:

S.No	Name	Remuneration Paid in the FY 2016-17 in Rs.	Ratio / Times per Median of employee remuneration
1	Shri Krishna Kumar Maheshwari	14,31,579/-	4.70
2	Shri Piyush Modi	6,00,000/-	1.97
3	Shri Ashok Kumar Inani	11,70,975/-	3.84

The aforesaid details are calculated on the basis of remuneration for the financial year 2016-17.  
Median remuneration of the Company for all its employees is Rs3,04,501/- for the Financial Year 2016-17.

**B. Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2016-17 are as follows:**

Name	Designation	Remuneration in Rs.		Increase %
		2016-17	2015-16	
Shri Krishna Kumar Maheshwari	Managing Director	14,31,579/-	15,04,191/-	--
Shri Piyush Modi	Whole Time Director	6,00,000/-	6,00,000/-	NA
Shri Ashok Kumar Inani	Director Finance/ CFO	11,70,975	10,28,196	13.88
Shri Govind Toshniwal	Company Secretary	5,45,856	4,35,098	25.46

The remuneration to Directors is within the overall limits approved by the shareholders.

**C. Percentage increase in the median remuneration of all employees in the financial year 2016-17:**

Particulars	2016-17	2015-16	Increase / (decrease)%
Median remuneration of all employees per annum	Rs.30,4501/-	Rs. 2,19,444/-	38.76

**D. Number of permanent employees on the rolls of the Company as on 31st March, 2017 are 34 and as on 31st March, 2016 are 27.**

**E. Explanation on the relationship between average increase in remuneration and Company performance:**

The Increase in average remuneration of all employees in the financial year 2016-17 as compared to the financial year 2015-16 was 10%.

The Key indices of Company's performance is as follows:

Amount in Lacs

Particulars	2016-17	2015-16	Growth %
Gross Revenue from operations	931.49	460.50	102.28
Profit Before Tax and exceptional items	491.05	95.33	415.10
Profit After Tax	46.94	131.56	(64.32)

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Internal equity is ensured by appropriate fitment at the time of the employee joining a particular cadre and grade. The fixed pay for an employee depends on his/ her performance against the objectives set for the year.

Thus, there will be a positive correlation in the increase in remuneration of employees and your Company's performance, however, a perfect correlation will not be visible given the dependency on the other factors.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:**

The remuneration of Key Managerial Personnel increased by around 5.08% in FY 2016-17, compared to FY 2015-16. The Profit After Tax decreased by 64.32% in FY 2016-17, compared to 2015-16.

**G. Details of Share price and market capitalization:**

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

Particulars	As on 31 <sup>st</sup> March 2017	As on 31 <sup>st</sup> March 2016	Increase / Decrease %
Price Earnings ratio	6.70	4.81	39.29
Market Capitalisation (in Crores)	10.90	6.33	72.20

Comparison of share price at the time of first public offer and market price of the share of 31st March, 2017:

Market Price as on 31st March, 2017	21.80
Price at the time of initial public offer in 1995	10.00
% increase of Market price over the prices at the time of initial public offer	118%

**Closing share price on BSE has been used for the above tables.**

**H. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration: (Amount in Rs.)**

Particulars	2016-17	2015-16	Increase / (Decrease) %
Average Salary of all the Employees (Other than KMP)	<b>299,668/-</b>	<b>2,86,908/-</b>	<b>4.44</b>
Salary of Key Managerial Personnel			
Managing Director	<b>14,31,579/-</b>	<b>15,04,191/-</b>	<b>(4.82)</b>
Whole Time Director	<b>6,00,000/-</b>	<b>6,00,000/-</b>	<b>--</b>
Director Finance / CFO	<b>11,70,975/-</b>	<b>10,28,196/-</b>	<b>13.88</b>
Company Secretary	<b>5,45,856/-</b>	<b>4,35,098/-</b>	<b>25.46</b>

The increase in remunerations of employees other than the managerial personnel is in line with increase in remuneration of managerial personnel

**I. Key parameters for the variable component of remuneration paid to the Directors:**

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

**J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.**

**K. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

**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.

**STATUTORY AUDITORS**

M/s. Ramkishore Jhawar & Associates, Statutory Auditors of the Company hold office until the conclusion of 28th Annual General Meeting.

Under Section 139 of Companies Act, 2013 and rules made thereunder, it is mandatory to rotate the Statutory Auditors on Completion of a maximum term permitted under the said section. The Audit Committee of the Company has proposed and the Directors of the Company recommend the Appointment of M/s Sridhar Jhawar and Associates, Chartered Accountants as the Statutory Auditors of the Company. M/s Sridhar Jhawar and Associates will hold office for a term of five consecutive years from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting to be held in the FY 2021-22.

**INTERNAL AUDIT**

Raju and Prasad, Chartered Accountants, Hyderabad are the internal auditors of the Company.

**SECRETARIAL AUDIT**

According to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report

**WHISTLE BLOWER / VIGIL MECHANISM POLICY**

In pursuance to the provisions of section 177 of the Companies Act, 2013 and SEBI(LODR) Regulations 2015, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Policy has been uploaded on the website of the Company.

**RELATED PARTY TRANSACTIONS**

Related Party transactions that were entered during the Financial Year were on an Arm's Length Basis and were in the Ordinary Course of Business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management and their relative, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and rules thereunder and the SEBI (LODR) Regulations, 2015. This policy was considered and approved by the Board and has been uploaded on the website of the Company.

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN, AND SECURITIES PROVIDED**

The Company has not given loans, guarantee or provided securities. However, particulars of investments made is provided in Notes to Financial Statements in Note no. 9.

**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.

**INTERNAL COMPLAINTS COMMITTEE**

The Company has formed Internal Complaints Committee as per the provision of Sexual Harassment Act (The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, wherein it mandates for every workplace and every employer in charge of a work place with more than 10 workers to constitute an Internal Complaints Committee as prescribed under the Act, for receiving complaints of sexual harassment.

The Company has not received any complaints

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

**INSURANCE**

Adequate Insurance cover has been taken for properties of the Company including Buildings, Computers, Office Equipments, Vehicles, etc.

**STATUTORY INFORMATION**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, Information under Section 134(3)(m) of the Companies Act, 2013.

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 /outgo.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations 2015 is presented in a separate section forming part of the Annual Report.

**DIRECTORS RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance even though the same is not applicable to the Company.

**Registered office**

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

**Place :** Hyderabad

**Date :** 27.05.2017

The Report on Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 forms part of the Annual Report.

A Cash Flow Statement for the Financial Year 2016-17 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 19th May, 2017, a total of 48,64,909 Equity Shares of the Company, which forms 97.30% of the Share Capital of the Company, stands dematerialized.

**DEVELOPMENT AND IMPLEMENTAION OF RISK MANAGEMENT POLICY**

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided in this report in Management discussions and Analysis.

**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.

**By Order of the Board of Directors of  
CIL SECURITIES LIMITED**

**K K Maheshwari**  
Chairman & Managing Director  
DIN: 00223241

**A K Inani**  
Director Finance/CFO  
DIN: 00223069

## **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 even though the provisions of Corporate Governance are not applicable to it.

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 SEBI (LODR) Regulation, 2015 and some of the best practices followed internationally on Corporate Governance, a report containing the details of governance systems and processes at CIL SECURITIES LIMITED is as under:

### **1. Company's Philosophy on Code of Governance:**

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

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

### **2. Board of Directors**

#### **Composition of the Board**

As on 31st March, 2017, the Board of Directors consists of 6 Directors viz., 1 Managing Director, 2 Executive Directors, 3 Non-Executive Directors (Out of which 2 are Independent Directors).

The routine affairs of the Company are managed by the 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 29 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.. Shri K.K.Maheshwari holds 1072700 Equity shares of the Company representing 21.45 percent of the paid up share capital as on 31st March, 2017

He is the Chairman and Managing Director of the Company.

**(ii) Shri Piyush Modi** is a graduate in Commerce and is having more than 20 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 31st March, 2017.

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 25 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 768500 Equity shares representing 15.37 percent of the paid up share capital as on 31st March, 2017.

She is a Non-Executive and Non-independent Director of the Company.

- (iv) **Shri A.K. Inani** is a Commerce Graduate and is having more than 30 years of experience in Finance, Taxation, Accounts and other related financial arena. He is associated with the Company since November, 1995. Shri A.K. Inani does not hold any shares in the Company.

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

- (v) **Shri F.R. Bhole** 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 32 years in making Software for Capital Market. Shri F.R. Bhole does not hold any shares in the Company.

He is an Independent and Non-Executive Director of the Company

- (vi) **Shri Budhi Praksh Toshniwal** has experience of over 37 years in running industries. He is a Promoter and Whole Time Director of "TOSHNIWAL GRANITES PVT LTD" a 100% E.O.U. which exports granite directly and indirectly to over 20 countries across the world.

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

### 3. Board Meetings, its Committee Meetings and Procedures.

#### (a) Institutionalized decision making process

With a view to institutionalize corporate affairs and set up systems and procedures for advance planning for matters requiring discussions/decisions by the Board, the Company has defined Guidelines for the meeting of

the Board and the Committee thereof. These Guidelines seek to systematize the decision-making process at the meeting of the Board/Committees in an informed and efficient manner.

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

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

- (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, and the Secretarial Standards recommended by the Institute of Company Secretaries of India as applicable.

**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 2016-17		No. of other Directorship(s) Held as on 31.03.2017*	No. of Membership(s)/ Chairmanship(s) of Board Committees of other Companies**	
			Board Meetings	Previous AGM		Member-ship (s)	Chairmanships
Shri K.K.Maheshwari	00223241	Executive & Promoter	4	Yes	2	0	0
Shri Piyush Modi	00036680	Executive	4	No	0	0	0
Smt Pramila Maheshwari	00223430	Promoter, Non-Executive & Non-Independent	4	Yes	1	0	0
Shri A.K. Inani	00223069	Executive	4	Yes	1	0	0
Shri F. R. Bhote	00516590	Non-Executive & Independent	3	No	1	2	0
Shri Budhi Prakash Toshniwal	00147869	Non-Executive & Independent	4	No	1	3	1

\* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

\*\* Represents Membership(s) / Chairmanship(s) of only the Audit Committees Stakeholders Relationship Committees and Nomination & Remuneration Committees in all public limited companies(excluding CIL Securities Limited)

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

Total 4(Four) Board Meetings were held during the year. The Company has held at least one Board Meeting in every quarter and the maximum time gap between any two meetings was not more than 120 days. The details of the Board Meetings are as under:

Sl.No.	Date	Board Strength	No. of Directors Present
1.	14th Day of May 2016	6	6
2.	13th Day of August, 2016	6	6
3.	12th Day of November, 2016	6	5
4.	11th Day of February, 2017	6	6

#### 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 SEBI(LODR) Regulations, 2015. The committee also acts as a link between the statutory Auditors and the Board of Directors. The Committee meets the statutory auditors periodically and reviews the financial statements, Annual financial statements, Auditors Report thereon and discusses their findings and suggestions and seeks clarifications thereon. The committee reviews the management and the financial statements before submitting the report to the board

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

1. Shri Budhi Prakash Toshniwal (Chairman)
2. Shri F R Bhote
3. Smt. Pramila Maheshwari

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 Budhi Prakash Toshniwal	Shri F.R. Bhote	Smt Pramila Maheshwari
1	14th Day of May 2016	Attended	Attended	Attended
2	13th Day of August, 2016	Attended	Attended	Attended
3	12th Day of November, 2016	Not Attended	Attended	Attended
4.	11th Day of February, 2017	Attended	Attended	Attended

The Statutory Auditor and Director-Finance/CFO were also invited to attend all the Meetings.

**(b) Nomination & Remuneration Committee:**

The Nomination & 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 Nomination & Remuneration Committee comprises of the following members:

Shri F R Bhote(Chairman)

Shri Budhi Prakash Toshniwal

Smt Pramila Maheshwari

No Meeting of Nomination & Remuneration Committee

Meetings were held during the said financial Year

**Nomination & 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 , 2017 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. 13,60,754/-	Rs.6,00,000/-	Rs.11,70,975/-
Perquisites	Rs.70,825/-	-	--
<b>TOTAL</b>	<b>Rs.14,31,579</b>	<b>Rs.6,00,000/-</b>	<b>Rs.11,70,975/-</b>

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees of Rs.6500/- plus conveyance expenses per meeting of the Board and Committee. The total amount of sitting fees paid during the year is Rs. 1,43,000/-/-.

**(c) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of the following members:

1. Smt Pramila Maheshwari (Chairperson)
2. Sri Budhi Prakash Toshniwal
3. Sri F R Bhote

**During the year 2016-17, 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	NIL	NIL
Non-receipt of shares lodged for Transfer	NIL	NIL
Others	NIL	NIL
Total	NIL	NIL

there are no outstanding complaints as on 31st March 2017.

No. of Shares pending for Transfer-Nil

**d) Independent Director / Committee:**

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 SEBI(LODR) Regulations, 2015

The Independent Directors Committee comprises of the following members:

1. Shri Budhi Prakash Toshniwal
2. Shri F R Bhote

**(e) Risk Management Committee**

The Risk Management Committee comprises of the following members:

1. Shri K.K.Maheshwari
2. Shri Piyush Modi
3. Shri A K Inani
4. Smt. Pramila Maheshwari

**(f) Internal Complaints Committee**

The Internal Complaints Committee comprises of the following members:

1. Smt Shobha Chowdary - Presiding Officer
2. Shri Rajesh Mayekar - Member
3. Shri M.P. Balakrishna - Member
4. Smt Bhagwati Baldawa - Member (NGO)

**(g) Name and Designation of the Compliance Officer**

Shri Govind Toshniwal - Company Secretary

**7. FAMILIARISATION PROGRAMME**

Your Company has put in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. The Company

**10. General Body Meetings:**

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

Year	AGM/EGM	Location	Date	Time
2015-16	AGM	608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Nampally, Hyderabad- 500001	30th September, 2016	11.00 A.M.
2014-15	AGM	610, Raghava Ratna Towers, North Block, Chirag Ali Lane, Abids, Hyderabad- 500001	15th September, 2015	11.00 A.M.
2014-15	EGM	610, Raghava Ratna Towers, North Block, Chirag Ali Lane, Nampally, Hyderabad- 500001	23rd Day of March, 2015	11.00 AM
2013-14	AGM	608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Nampally, Hyderabad- 500001	28th July, 2014	11.00 A.M.

through such programme familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, etc.

The Managing Director & CEO, CFO & Company Secretary, business heads and other senior officials of the Company make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The familiarization programme for Independent Directors is uploaded on the website of the Company.

**8. INDEPENDENT DIRECTORS' MEETING**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 a meeting of the Independent Directors of the Company was held on 14th Day of May, 2016, without the attendance of Non-Independent Directors and members of the management.

**9. EVALUATION OF BOARD EFFECTIVENESS**

In terms of provisions of the Companies Act, 2013 read with Rules issued there under, the Board of Directors have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2017. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

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

**Year Special Resolution passed**

2015-16 Two Special Resolutions were passed

2014-15 One Special Resolution was passed

2013-14 No Special Resolution was passed

**Special Resolutions requiring a Postal Ballot**

The Company was not required to Pass Special Resolution requiring postal ballot

Special Resolutions requiring an Extra Ordinary General Meeting

The Company Passed a Special Resolution altering a clause in Articles of Association in the FY 2014-15

**11) 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 SEBI(LODR) Regulations, 2015 is being reviewed by the Board from time to time.

**12) 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/SEBI(LODR)Regulations, 2015. For the Financial Year 2016-17, the audited annual results have been announced on 27th May, 2017. During the Financial Year 2016-17 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 SEBI(LODR)Regulations, 2015.

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

**13) General Shareholder Information:**

**Company Registration Details** The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L67120TG1989PLC010188

**Annual General Meeting** 28th Day of September 2017 at 11:00AM at 608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Abids, Hyderabad 500001

**Financial Calendar for 2017-18**

Financial Year	1st April, 2017 to 31st March 2018
Results for the quarter ending 30th June, 2017(tentative)	Before 15th of August ,2017
Results for the Quarter/Half Year Ending 30th September, 2017(tentative)	Before 15th of November , 2017
Results for the quarter ending 31st December, 2017(tentative)	Before 15th of February , 2018
Results for the year ending 31st March, 2018(tentative)	Within two months from the end of last quarter as stipulated under SEBI(LODR) Regulations, 2015

**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 2017-18 (as applicable) has been paid by the Company to the BSE.

**Monthly Share Price Movement**

All prices in Rs.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover	Spread	
								High-Low	Close-Open
Apr-16	13.29	15.94	12.77	14.69	29874	182	416478	3.17	1.40
May-16	15.30	19.45	13.55	15.90	17799	158	284970	5.90	0.60
Jun-16	17.45	17.45	13.00	15.00	12853	105	189388	4.45	-2.45
Jul-16	14.25	16.20	12.30	14.63	231243	220	2904639	3.90	0.38
Aug-16	14.50	17.00	12.42	12.88	16613	161	237964	4.58	-1.62
Sep-16	14.16	16.77	10.65	12.41	213302	151	2315441	6.12	-1.75
Oct-16	11.20	19.85	11.00	18.73	248843	593	3208281	8.85	7.53
Nov-16	18.73	29.99	16.35	24.39	28813	539	667400	13.64	5.66
Dec-16	24.50	28.70	17.70	20.40	13447	197	297974	11.00	-4.10
Jan-17	22.00	27.50	19.40	22.95	27454	318	606014	8.10	0.95
Feb-17	22.95	24.00	18.70	22.85	15508	175	339768	5.30	-0.10
Mar-17	24.65	25.50	19.85	21.80	60643	368	1427656	5.65	-2.85

(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 Regulation 40(9) of SEBI(LODR) Regulations, 2015 and files a copy of the Certificate with the Stock Exchange.

**DISTRIBUTION OF SHARE HOLDING CATEGORY WISE (as on March 31, 2017)**

No. of Equity shares held	No. of shareholders	Percentage of shareholders	No. of shares held	Percentage of shareholding
1 - 500	803	78.49	144987	2.90
501 - 1000	106	10.36	92760	1.86
1001 - 2000	58	5.67	87403	1.75
2001 - 3000	17	1.66	43510	0.87
3001 - 4000	1	0.10	4000	0.08
4001 - 5000	6	0.59	28106	0.56
5001 - 10000	8	0.78	63544	1.27
10001 & Above	24	2.35	4535690	90.71
	<b>1023</b>	<b>100.00</b>	<b>5000000</b>	<b>100.00</b>

**SHARE HOLDING PATTERN (as on March 31, 2017)**

Sl.No.	Category	No. of Shares	% of shares
1	Promoters' Holding	3749991	75.00
2	Corporate Bodies	79324	1.58
3	Individuals/others	1017850	20.36
4	NRIs	152835	3.06
	<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 **19th May, 2017** a total of 48,64,909 Equity Shares of the Company, which forms 97.30% 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)



**14 ) 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 31st March 2017 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**  
**Date: 27.05.2017**

**A K Inani**  
**Director-Finacne/CFO**  
**DIN:00223069**

**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 SEBI (LODR) Regulations, 2015 in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2017.

**Place: Hyderabad****Date: 27.05.2017****K.K.Maheshwari****Managing Director****DIN: 00223241****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 under:

(Rs. in Lacs)

SEGMENT	GROSS INCOME	
	31.03.2017	31.03.2016
Securities Dealings & Broking	854.16	377.63
Merchant Banking	0.00	0.60
Registrar & Share Transfer Agent	36.86	41.97
Demat & Depository	11.14	11.39
Consultancy Fee	1.15	0.00

### 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

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

REGISTRATION & OTHER DETAILS:			
1.	CIN	L67120TG1989PLC010188	
2.	Registration Date	29/06/1989	
3.	Name of the Company	CIL Securities Limited	
4.	Category/Sub-category of the Company	Public Listed Company/ Limited by shares	
5.	Address of the Registered office & contact details	214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad, Telangana, 500001 Telephone - 040 2320 2465, Fax Number - 040 23203028 Email Address - advisors@cilsecurities.com	
6.	Whether listed company	Yes, Listed in Bombay Stock Exchange	
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	In House, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad, Telangana, 500001	
<b>I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)</b>			
S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Security Dealing Activities	6599	96.64

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -NA**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)  
Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3335850	--	3335850	66.72	3519840	--	3519840	70.39	3.68
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	230151	--	230151	4.60	230151	--	230151	4.60	--
-									
<b>Total shareholding of Promoter (A)</b>	3566001	—	3566001	71.32	3749991	—	3749991	74.99	3.68

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	644499	5600	650099	13.00	73812	4900	78712	1.58	11.42
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	315623	131891	447514	8.96	297879	130191	428070	8.57	0.39
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	259800	--	259800	5.20	589280	--	589280	11.79	6.59
c) Others (specify)									
Non Resident Indians	75836	--	75836	1.51	152835	--	152835	3.05	1.54
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	250	--	250	0.00	612	--	612	0.01	0.01
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
Directors and their Relatives	500	--	500	0.01	500	--	500	0.01	--
<b>Sub-total (B)(2):-</b>	1296508	137491	1433999	28.68	1114918	135091	1250009	25.01	3.67
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1296508	137491	1433999	28.68	1114918	135091	1250009	25.01	3.67
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	4862509	137491	5000000	100	4864909	135091	5000000	100	--

**B) Shareholding of Promoter**

S.No.	Shareholder's Name	Shareholding At The Beginning Of The Year			Shareholding At The End Of The Year			%Change In Shareholding During The Year
		No. Of Shares	% Of Total Shares Of The Company	%Of Shares Pledged / Encumbered To Total Shares	No. Of Shares	% Of Total Shares Of The Company	%Of Shares Pledged/ Encumbered To Total Shares	
1	GITA DEVI MAHESHWARI	1198550	23.97	-	1198550	23.97	-	0%
2	KRISHNA KUMAR MAHESHWARI	1072700	21.45	-	1072700	21.45	-	0%
3	PRAMILA MAHESHWARI	768500	15.37	-	768500	15.37	-	0%
4	RAMKRISHNA MAHESHWARI [HUF]	246100	4.92	-	246100	4.92	-	0%
5	CIL COMMODITIES (P) LTD	125000	2.50	-	125000	2.50	-	0%
6	CIL INDUSTRIES LIMITED	105151	2.10	-	105151	2.10	-	0%
7	VIDHI MAHESHWARI	50000	1.00	-	233990	4.68	-	3.68

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

S.No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vidhi Maheshwari Acquired 1,83,990 Equity Shares on 21st July, 2016	50000	1.00	233990	4.68

**D) Shareholding Pattern of top ten Shareholders:****(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Canara Securities Limited	563298	11.27	--	--
2	Vinod Kabra	--	--	141900	2.84
3	Shyama Kankaria	--	--	100000	2.00
4	Neha Kankaria	--	--	100000	2.00
5	Shobha	84100	1.68	54132	1.08
6	Benny Mathew	56000	1.12	80000	1.60
7	Ansamma M Benny	13000	0.26	66000	1.32
8	Integrated Financial Services Ltd	59099	1.18	50419	1.01
9	Y Madana Mohana Rao	51197	1.02	51197	1.02
10	Seema Jain	42756	0.86	11741	0.23
11	Sharafudheen C P	--	--	36345	0.73
12	Sudarshan Bajaj	18698	0.37	18698	0.37
13	Guntupalli Harish	--	--	11678	0.23
14	Snehalatha Singhi	14259	0.29	14259	0.29
15	Sanket Taran	13140	0.26	13140	0.26

**E) Shareholding of Directors and Key Managerial Personnel:**

S.No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Krishna Kumar Maheshwari	1072700	21.45%	1072700	21.45%
2	Pramila Maheshwari	768500	15.37%	768500	15.37%
3	Piyush Modi	500	0.01%	500	0.01%

**F) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. **NA**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Krishna Kumar Maheshwari	Piyush Modi	A.K.Inani	
1	Gross salary	13,60,754	6,00,000	11,70,975	31,31,729
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit-	-	-	-	-
5	Others, please specify	70,825	-	-	70,825
	Total (A)	14,31,579	6,00,000	11,70,975	32,02,554
	Ceiling as per the Act	Within Limits			

## B. Remuneration to other directors

(Amount in Rs)

SN.	Particulars of Remuneration	Name of Directors			
		Budhi Prakash Toshniwal	Feroz Russi Bhote	Pramila Maheshwari	Total Amount
1	Independent Directors				-
	Fee for attending board committee meetings	39000	52000	-	91000
	Commission	-	-	-	-
	Others, please specify(Conveyance reimbursement)	6000	8000	-	14000
	Total (1)	45000	60000	-	105000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	52000	52000
	Commission	-	-	-	-
	Others, please specify (conveyance reimbursement)	-	-	8000	8000
	Total (2)	-	-	60000	60000
	Total (B)=(1+2)	45000	60000	60000	165000
	Total Managerial Remuneration	-	-	-	
	Overall Ceiling as per the Act	Within Limits			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
	<b>Govind Toshniwal</b>				
1	Gross salary (for a part of a year)	-	5,45,856	-	5,45,856
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	- -	- -	- -	- -
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>5,45,856</b>	-	<b>5,45,856</b>

**VI PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA**



**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
CIL SECURITIES LIMITED.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CIL Securities Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (VI) The Company is a registered member of NSE and BSE apart from having DP connectivity with CDSL. From time to time there were inspection of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.
- (VII) The Company is a registered as Category I Merchant Banker and Registrar and Share Transfer Agents with SEBI. From time to time there were inspection of books, accounts, records of the company by the above said authority and the observations given there on have also been complied with by the Company.
- (VIII) Other applicable laws, including the following:
  - a) The Payment of Gratuity Act, 1972
  - b) Competition Act, 2002
  - c) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - d) Employees State Insurance Act, 1948
  - e) Income Act, 1961
  - f) Indian Stamp Act, 1899

- g) Maternity Benefit Act, 1961
- h) Minimum Wages Act, 1948
- i) Payment of Bonus Act, 1965
- j) Payment of Wages Act, 1936
- k) Shops and Establishments Act, 1948
- l) The Finance Act, 1994

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India, to the extent applicable under the Companies Act, 2013
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Board members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place: Hyderabad**  
**Date : 27.05.2017**

**DWARAKA PRASAD ASAWA**  
**ACS:20636, CP NO: 7546**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

#### **'Annexure A'**

To,  
The Members,  
**CIL SECURITIES LIMITED.**

Our report of even Date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

**Place: Hyderabad**  
**Date : 27.05.2017**

**DWARAKA PRASAD ASAWA**  
**ACS:20636, CP NO: 7546**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF CIL SECURITIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of CIL Securities Limited (the Company), which comprises of the Balance sheet as at March 31, 2017, and the Statement of Profit and Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the standards on Auditing specified under section 143(10) of the act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies(Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act (hereafter referred to the "Order"),we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Sub Section (2) of section 164 of the Companies Act,2013.
  - f. With respect to the adequacy of the External financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate report in 'Annexure B'and.
  - g. With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
    - 1 The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - 2 The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
    - 3 The Company is not required to transfer any amount to the Investor Education and Protection Fund.
    - 4 The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November,2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**For Ramkishore Jhavar & Associates  
Chartered Accountants**

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

**Place: Hyderabad  
Date: 27/05/2017**

---

**ANNEXURE REFERRED TO IN PARAGRAPH 'REPORT ON OTHER LEGAL REGULATORY REQUIREMENTS' OF OUR REPORT**

We report that

1.
  - 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) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the title deeds of immoveable properties are held in the name of the company.
2. The Company is a Service Company, primarily rendering brokerage services and also carrying on investment activity. Accordingly it does not hold any Physical inventory. There, Paragraph 3 (ii) of the order is not applicable to the Company.
3. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the act. Accordingly, the provisions of clause 3(iii)(a), (b), and (c) of the order are not applicable and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
5. The company has not accepted deposits from public and hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Companies Act , 2013 and rules framed there under are not applicable for the year under audit.
6. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148 of the Act for any of its product.
7.
  - 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 and according to the information and explanation given to us , no statutory dues were outstanding as at 31.03.2017 for a period of more than 6 months from the date they became payable
  - b) According to the information and the explanations given to us, there are no such statutory dues, which have not been deposited on account of any disputes.
8. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues, if any, to any Financial Institutions, banks, governments or dues to debenture holders.
9. According to the information and explanation given to us, no moneys were raised of initial public offer or further public offer (including debt instruments) and term loans.
10. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

11. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we are of the opinion that the managerial remuneration has been paid by or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
12. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
13. In our opinion, the company is not a Nidhi company. Therefore provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.
14. According to the information and explanation given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve bank of India Act, 1934 are not applicable to the company.

**Place: Hyderabad**

**Date: 27/05/2017**

**For Ramkishore Jhavar & Associates**

**Chartered Accountants**

**CA Ramkishore Jhavar**

**M No: 27970 Firm No: 003016S**

---

**ANNEXURE A TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of CIL Securities Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all Material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Annexure 'B'****Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute.

**Place: Hyderabad**

**Date: 27/05/2017**

**For Ramkishore Jhavar & Associates**

**Chartered Accountants**

**CA Ramkishore Jhavar**

**M No: 27970 Firm No: 003016S**

**CIL SECURITIES LIMITED**  
Balance Sheet as at 31 March, 2017

Particulars		Note No.	As at 31 March, 2017 Rs.	As at 31 March, 2016 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	15,00,35,960	14,83,51,074
			<b>20,00,35,960</b>	<b>19,83,51,074</b>
<b>2</b>	<b>Non-current liabilities</b>			
	Other Long Term Liabilities	3	2,75,000	2,75,000
	Long-term provision	4	27,32,204	24,18,871
			<b>30,07,204</b>	<b>26,93,871</b>
<b>3</b>	<b>Current liabilities</b>			
	Trade payables	5	7,65,07,932	6,41,49,427
	Other current liabilities	6	28,10,536	20,41,577
	Short-term provisions	7	35,29,086	35,99,907
			<b>8,28,47,554</b>	<b>6,97,90,911</b>
			<b>28,58,90,718</b>	<b>27,08,35,856</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	<b>Fixed assets</b>			
	Tangible assets	8A	50,31,539	51,40,703
	Intangible assets	8B	7,15,662	5,87,421
	Non-current Investment	9	5,89,36,200	4,08,29,665
	Deferred tax assets (net)	21.28	6,81,410	6,85,775
	Long Term Loans and Advances	10	1,49,75,938	1,49,75,938
			<b>8,03,40,749</b>	<b>6,22,19,502</b>
<b>2</b>	<b>Current assets</b>			
	Current investments	11	5,21,24,701	7,23,60,972
	Trade receivables	12	3,44,86,857	6,62,99,965
	Cash and cash equivalents	13	11,61,56,747	6,77,38,867
	Short-term loans and advances	14	18,72,777	13,27,302
	Other current assets	15	9,08,887	8,89,248
			<b>20,55,49,969</b>	<b>20,86,16,354</b>
			<b>28,58,90,718</b>	<b>27,08,35,856</b>
	<b>Significant Accounting Policies and Notes forming part of the financial statements</b>	21		

In terms of our report attached.

**For RamKishore Jhawar & Associates**  
Chartered Accountants

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

Place : Hyderabad  
Date : 27.05.2017

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

K K Maheshwari  
**Managing Director**  
DIN: 00223241

A K Inani  
**Director - Finance & CFO**  
DIN: 00223069

Govind Toshniwal  
**Company Secretary**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

Particulars		Note No.	For the Year Ended 31.03.2017 Rs.	For the Year Ended 31.03.2016 Rs.
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (gross)	16	9,31,49,457	4,60,49,840
2	Other income	17	3,19,675	98,164
<b>3</b>	<b>Total revenue (1+2)</b>		<b>9,34,69,132</b>	<b>4,61,48,004</b>
<b>4</b>	<b>Expenses</b>			
	Employee benefits expense	18	1,34,56,770	1,23,46,923
	Finance costs	19	36,838	1,684
	Depreciation expense	8	15,51,184	13,98,407
	Other expenses	20	2,93,19,170	2,28,67,989
	<b>Total expenses</b>		<b>4,43,63,962</b>	<b>3,66,15,003</b>
<b>5</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>4,91,05,170</b>	<b>95,33,001</b>
6	Exceptional items		0	0
<b>7</b>	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>4,91,05,170</b>	<b>95,33,001</b>
8	Extraordinary items		- 43,386,817	70,09,037
<b>9</b>	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>57,18,353</b>	<b>1,65,42,038</b>
<b>10</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		10,22,401	21,93,779
	(b) Current tax expense relating to prior years		-2,241	-2,814
	(c) Net current tax expense		10,20,160	21,90,965
	(d) Deferred tax		4,365	11,95,038
			<b>10,24,525</b>	<b>33,86,003</b>
<b>11</b>	<b>Profit / (Loss) from continuing operation (9+10)</b>		<b>46,93,828</b>	<b>1,31,56,035</b>
<b>12</b>	<b>Profit / (Loss) for the year</b>		<b>46,93,828</b>	<b>1,31,56,035</b>
<b>13</b>	<b>Earnings per share (of ' 10/- each):</b>			
	(a) Basic			
	(i) Continuing operations	21.27	0.94	2.63
	(b) Diluted			
	(i) Continuing operations	21.27	0.94	2.63
	<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 AccountantsCA Ram Kishore Jhawar  
Proprietor  
M.No. 27970 & Firm No:003016SFor and on behalf of the Board of Directors of  
CIL Securities LimitedK K Maheshwari  
Managing Director  
DIN: 00223241A K Inani  
Director - Finance & CFO  
DIN: 00223069Place : Hyderabad  
Date : 27.05.2017Govind Toshniwal  
Company Secretary



## Cash Flow Statement for the year ended 31st March, 2017

Amount in Rs.

Particulars	For the Year Ended 2017		For the Year Ended 2016	
<b>A. Cash flow from operating activities</b>				
Net Profit/(Loss) before extraordinary items and tax		4,91,05,170		95,33,001
<u>Adjustments for:</u>				
Depreciation & Amortisation	15,51,184		13,98,407	
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	(230,369)		(11,504)	
Expense on employee stock option scheme	-		-	
Finance Costs	36,838		1,684	
Interest Income	(2,818,122)		(2,890,967)	
Dividend Income	(705,500)		(5,785,150)	
Operating Profit		(2,165,969)		(7,287,530)
Other Charges		-		-
Net unrealised exchange (gain)/loss		-		-
Operating profit/(loss) before working capital changes		<b>4,69,39,201</b>		<b>2,245,471</b>
<u>Changes in working capital:-</u>				
Adjustments for (increase)/decrease in operating assets:-				
Inventories	-		-	
Trade Receivables	3,18,13,108		30,82,500	
Short term loans and advances	(545,475)		(255,957)	
Long term loans and advances	-		(2,500,000)	
Other current assets	(19,639)		(212,583)	
Other non-current assets		<b>3,12,47,994</b>		<b>1,13,960</b>
Adjustments for increase/(decrease) in operating liabilities:-				
Trade Payables	1,23,58,505		2,34,47,298	
Other current liabilities	7,68,959		4,15,342	
Other long term liabilities	-		-	
Short term provisions	(70,820)		(1,487,637)	
Long term provisions	3,13,333	1,33,69,977	(49,739)	<b>2,23,25,264</b>
Cash flow from extraordinary items		(43,386,817)		80,00,000
Cash generated from operations		4,81,70,355		3,26,84,695
Net Income tax (paid)/refunds		(1,020,160)		(2,190,965)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>4,71,50,195</b>		<b>3,04,93,730</b>
<b>B. Cash for Investing Activities</b>				
Capital expenditure on fixed assets, including capital advances	(1,620,893)		(1,493,321)	
Proceeds from sale of fixed assets	2,81,000		39,406	
Current investments Transactions not considered as Cash and cash equivalents	2,02,36,271		(34,482,329)	
Purchases of long term investments	(18,106,535)		(9,818,453)	
Proceeds from sale of long term investments	-		-	
Interest received	28,18,122		28,90,967	
Dividend Received	7,05,500		57,85,150	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>43,13,465</b>		<b>(3,70,78,580)</b>

## Cash Flow Statement for the year ended 31st March, 2017

Amount in Rs.

Particulars	For the Year Ended 2017		For the Year Ended 2016	
<b>C. Cash flow from financing activities</b>				
Finance cost	(36,838)		(1,684)	
Dividends paid	(2,500,000)		(2,500,000)	
Tax on dividend	(508,942)		(499,850)	
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>(3,045,780)</b>		<b>(3,001,534)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>4,84,17,880</b>		<b>(9,586,384)</b>
Cash and cash equivalents at the beginning of the year		6,77,38,867		7,73,25,251
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>11,61,56,747</b>		<b>6,77,38,867</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet	116,156,747		6,77,38,867	
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)	116,156,747		6,77,38,867	
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>				
* Comprises:-				
(a) Cash on hand		1,15,829		90,526
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
(I) In current accounts		7,87,39,800		3,53,47,223
(d) Others (Fixed Deposits)		3,73,01,118		3,23,01,118
(e) Current investments considered as part of Cash and cash equivalents		-		-

**Notes:**

(i) The Cash Flow Statement reflects the cash flows pertaining to continuing operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For RamKishore Jhawar & Associates**  
Chartered AccountantsCA Ram Kishore Jhawar  
Proprietor  
M.No. 27970 & Firm No:003016S**For and on behalf of the Board of Directors of**  
CIL Securities LimitedK K Maheshwari  
**Managing Director**  
**DIN: 00223241**A K Inani  
**Director - Finance & CFO**  
**DIN: 00223069**Govind Toshniwal  
**Company Secretary**Place : Hyderabad  
Date : 27.05.2017

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE Share Capital

1	Particulars	As at 31 March, 2017		As at 31 March, 2015	
		Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Equity shares of Rs.10/- each with voting rights	<b>60,00,000</b>	<b>6,00,00,000</b>	60,00,000	6,00,00,000	
(b) Issued # Equity shares of Rs.10/- each with voting rights	<b>50,00,000</b>	<b>5,00,00,000</b>	50,00,000	5,00,00,000	
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	<b>50,00,000</b>	<b>5,00,00,000</b>	50,00,000	5,00,00,000	
	<b>50,00,000</b>	<b>5,00,00,000</b>	50,00,000	5,00,00,000	
(d) Subscribed but not fully paid up Equity shares of Rs.10/- 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, 2017								
- Number of shares	<b>50,00,000</b>	-	-	-	-	-	-	<b>50,00,000</b>
- Amount (₹)	<b>5,00,00,000</b>	-	-	-	-	-	-	<b>5,00,00,000</b>
Year ended 31 March, 2016								
- 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, 2017		As at 31 March, 2016	
	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	<b>10,72,700</b>	<b>21.454</b>	<b>10,72,700</b>	<b>21.454</b>
Canara Securities limited	<b>0</b>	<b>0</b>	<b>5,63,298</b>	<b>11.265</b>
Pramila Maheshwari	<b>7,68,500</b>	<b>15.370</b>	<b>7,68,500</b>	<b>15.370</b>
Gita Devi Maheshwari	<b>11,98,550</b>	<b>23.971</b>	<b>11,98,550</b>	<b>23.971</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE Reserves &amp; Surplus

2	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
	(a) Capital reserve		
	Opening balance	28,000	28,000
	Add: Additions during the year	0	0
	Less: Utilised / transferred during the year	0	0
	Closing balance	28,000	28,000
	(b) General reserve		
	Opening balance	3,11,27,000	2,98,11,000
	Add: Transferred from surplus in Statement of Profit and Loss	4,85,000	13,16,000
	Less: Utilised / transferred during the year	0	0
	Closing balance	3,16,12,000	3,11,27,000
	(c) Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	11,71,96,074	10,83,64,981
	Add: Profit for the year	46,93,828	1,31,56,035
	Less: Final dividend		
	Dividends proposed to be distributed to equity shareholders Rs. @ 0.50 per share 31.03.2017 ( Rs. @ 0.50 per share 31.03.2016)	25,00,000	25,00,000
	Tax on dividend	5,08,942	5,08,942
	Transferred to:		
	General reserve	4,85,000	13,16,000
	Closing balance	11,83,95,960	11,71,96,074
	<b>Total</b>	<b>15,00,35,960</b>	<b>14,83,51,074</b>
<b>Note</b>			
<b>3</b>	<b>Other Long Term Liabilities</b>		
	Trade / security deposits	2,75,000	2,75,000
		2,75,000	2,75,000
<b>4</b>	<b>Long-term provisions</b>		
	Provision for employee benefits:		
	Provision for gratuity	27,32,204	24,18,871
	<b>Total</b>	<b>27,32,204</b>	<b>24,18,871</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>5</b>	<b>Trade payables:</b>		
	Other than Acceptances	<b>7,65,07,932</b>	<b>6,41,49,427</b>
	<b>Total</b>	<b>7,65,07,932</b>	<b>6,41,49,427</b>
<b>6</b>	<b>Other current liabilities</b>		
	Other payables		
	Statutory remittances	<b>6,00,354</b>	<b>4,37,259</b>
	Contractually reimbursable expenses	<b>8,27,126</b>	<b>6,67,178</b>
	Other Liabilities	<b>13,83,056</b>	<b>9,37,140</b>
	<b>Total</b>	<b>28,10,536</b>	<b>20,41,577</b>
<b>7</b>	<b>Short-term provisions</b>		
	Provision - Others:		
	Provision for tax (net of advance tax Rs.400000/- As at 31.03.2017 (1600000/- As on 31.03.2016)	<b>5,20,144</b>	<b>5,90,965</b>
	Provision for proposed equity dividend	<b>25,00,000</b>	<b>25,00,000</b>
	Provision for tax on proposed dividends	<b>5,08,942</b>	<b>5,08,942</b>
	<b>Total</b>	<b>35,29,086</b>	<b>35,99,907</b>

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

Tangible assets	Gross Block				Accumulated depreciation and impairment				Net Block	
	Balance as at 1.04.2016 (Rs.)	Additions (Rs.)	Disposals (Rs.)	Balance as at 31.03.2017 (Rs.)	Balance as at 1.4.2016 (Rs.)	Depreciation amortisation expense for the year (Rs.)	Eliminated on disposal of assets (Rs.)	Balance as at 31 March, 2017 (Rs.)	Balance as at 31 March, 2016 (Rs.)	
(b) Buildings	6433331	0	0	6433331	3527833	141498	0	3669331	2764000	2905498
(c) Furniture and Fixtures	5914996	85150	0	6000146	5492645	109950	0	5602595	397550	422350
(d) Vehicles	4326345	887817	1162719	4051443	4037252	307945	1112088	3233109	818334	289094
(e) Office equipment	3534323	107082	0	3641405	3154225	188215	0	3342440	298965	380098
(f) Computer Data and Processing Equipments	18000882	0	0	18000882	17248886	295535	0	17544421	456462	751997
(g) Electrical Installations	341022	0	0	341022	217956	31,862	0	249818	91205	123066
(h) Computer Devices	651770	137180	0	788950	383170	200,756	0	583927	205023	268600
<b>Total (A)</b>	<b>39202669</b>	<b>1217229</b>	<b>1162719</b>	<b>39257179</b>	<b>34061967</b>	<b>1275761</b>	<b>1112088</b>	<b>34225641</b>	<b>5031539</b>	<b>5140703</b>
<b>Previous year</b>	<b>3,98,80,284</b>	<b>10,31,763</b>	<b>17,09,378</b>	<b>3,92,02,669</b>	<b>3,34,68,115</b>	<b>12,75,271</b>	<b>6,81,419</b>	<b>3,40,61,966</b>	<b>51,40,703</b>	<b>64,12,168</b>
Intangible assets	Gross Block				Accumulated depreciation and impairment				Net Block	
	Balance as at 1.04.2016 (Rs.)	Additions (Rs.)	Disposals (Rs.)	Balance as at 31.03.2017 (Rs.)	Balance as at 1.4.2016 (Rs.)	Depreciation amortisation expense for the year (Rs.)	Eliminated on disposal of assets (Rs.)	Balance as at 31 March, 2017 (Rs.)	Balance as at 31 March, 2016 (Rs.)	
(a) Computer software	6993233	403664	0	7396897	6405812	275423	0	6681235	715662	587421
<b>Total (B)</b>	<b>6993233</b>	<b>403664</b>	<b>0</b>	<b>7396897</b>	<b>6405812</b>	<b>275423</b>	<b>0</b>	<b>6681235</b>	<b>715662</b>	<b>587421</b>
<b>TOTAL(A+B)</b>	<b>46195902</b>	<b>1620893</b>	<b>1162719</b>	<b>46654076</b>	<b>40467779</b>	<b>1551184</b>	<b>1112088</b>	<b>40906876</b>	<b>5747201</b>	<b>5728123</b>
<b>Previous year</b>	<b>65,31,675</b>	<b>4,61,558</b>	<b>0</b>	<b>69,93,233</b>	<b>62,82,676</b>	<b>1,23,136</b>	<b>0</b>	<b>64,05,812</b>	<b>5,87,421</b>	<b>2,48,999</b>
<b>Previous year Grand Total</b>	<b>4,64,11,959</b>	<b>14,93,321</b>	<b>17,09,378</b>	<b>4,61,95,902</b>	<b>3,97,50,791</b>	<b>13,98,407</b>	<b>6,81,419</b>	<b>4,04,67,778</b>	<b>57,28,124</b>	<b>66,61,167</b>

## Notes forming part of the financial statements

Note	Particulars	As at 31 March, 2017			As at 31 March, 2016		
		Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total Rs.
<b>9</b>	<b>Non Current Investments</b>						
	<b>Investments (At cost)</b>						
	Trade investments in Equity Investment (As per Annexure)	5,86,36,200	3,00,000	5,89,36,200	4,00,69,665	7,60,000	4,08,29,665
	Less: Provision for diminution in value of investments			0			0
	<b>Total Investments (A)</b>			<b>5,89,36,200</b>			<b>4,08,29,665</b>
	<b>Aggregate amount of quoted investments</b>			<b>5,86,36,200</b>			<b>4,00,69,665</b>
	<b>Aggregate market value of listed and quoted investments</b>			<b>5,70,62,650</b>			<b>4,10,79,250</b>
	<b>Aggregate value of listed but not quoted investments</b>			<b>NIL</b>			<b>NIL</b>
	<b>Aggregate amount of unquoted investments</b>			<b>3,00,000</b>			<b>7,60,000</b>
	<b>Aggregate provision for diminution (write down) in the value of other investments</b>			<b>0</b>			<b>0</b>

## Notes forming part of the financial statements

Note	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>10</b>	<b><u>Long-Term loans and advances</u></b>		
	Membership Deposit With NSE	<b>50,00,000</b>	50,00,000
	Deposit with CD-NSE	<b>35,00,000</b>	35,00,000
	Deposit with Future Segment With NSE	<b>33,00,000</b>	33,00,000
	Deposit for SGF Contribution	<b>25,00,000</b>	25,00,000
	Deposit for VSAT	<b>50,938</b>	50,938
	Deposit for CDSL	<b>5,00,000</b>	5,00,000
	Deposit with BSE	<b>1,25,000</b>	1,25,000
	<b>Total</b>	<b>1,49,75,938</b>	1,49,75,938
<b>11</b>	<b><u>Current Investments</u></b>		
	Investment in Mutual Funds	<b>5,01,99,200</b>	6,15,71,784
	Stock of Securities	<b>19,25,501</b>	1,07,89,188
	<b>Total</b>	<b>5,21,24,701</b>	7,23,60,972
<b>12</b>	<b><u>Trade receivables</u></b>		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good	<b>15,52,444</b>	4,59,92,607
	Other Trade receivables		
	Unsecured, considered good	<b>3,29,34,413</b>	2,03,07,358
	<b>Total</b>	<b>3,44,86,857</b>	6,62,99,965



## Notes forming part of the financial statements

Note	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>13</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	1,15,829	90,526
	Balances with banks		
	(i) In current accounts	7,87,39,800	3,53,47,223
	(ii) In deposit accounts (Refer Note (i) below)	3,73,01,118	3,23,01,118
	<b>Total</b>	<b>11,61,56,747</b>	<b>6,77,38,867</b>
	<b>Note:</b> i) Balances with banks include deposits amounting to Rs. NIL As at 31 March, 2017 and margin monies amounting to ` Rs.NIL/- As at 31 March, 2016 which have an original maturity of more than 12 months.		
<b>14</b>	<b>Short-term loans and advances</b>		
	Prepaid expenses	0	6,250
	Advance Tax and TDS	4,50,827	7,32,894
	Advance to Others	4,81,950	4,61,158
	Advance to Staff	9,40,000	1,27,000
	<b>Total</b>	<b>18,72,777</b>	<b>13,27,302</b>
	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>		
	Others Deposits	3,96,428	3,95,428
	Accruals		
	Interest accrued on deposits	5,12,459	4,93,820
	<b>Total</b>	<b>9,08,887</b>	<b>8,89,248</b>

## Notes forming part of the financial statements

Note	Particulars	For the Year Ended 31.03.2017 Rs.	For the Year Ended 31.03.2016 Rs.
<b>16</b>	<b>Revenues from operations</b>		
	Income from services @ (Refer Note (i) below)	<b>9,03,31,335</b>	4,31,58,873
	Other operating Income # (Refer Note (ii) below)	<b>28,18,122</b>	28,90,967
	<b>Total</b>	<b>9,31,49,457</b>	4,60,49,840
(i)	Income from services @		
	Securities Dealings & Broking	<b>8,54,15,728</b>	3,77,62,684
	Register & Share Transfer Fee	<b>36,86,218</b>	41,97,181
	Demat/Depository Fee	<b>11,14,389</b>	11,39,008
	Merchant Banking	<b>0.00</b>	60,000
	Consultancy	<b>1,15,000</b>	0.00
	<b>Total - Income from services</b>	<b>9,03,31,335</b>	4,31,58,873
(ii)	Other operating Income #		
	Interst Income	<b>28,18,122</b>	<b>28,90,967</b>
	<b>Total - Other operating Income</b>	<b>28,18,122</b>	<b>28,90,967</b>
<b>17</b>	<b>Other income</b>		
	Other Income	<b>89,306</b>	86,660
	Other non-operating income comprises:		
	Profit on sale of fixed assets	<b>2,30,369</b>	11,504
	<b>Total - Other non-operating income</b>	<b>3,19,675</b>	98,164
<b>18</b>	<b>Employee benefits expense</b>		
	Salaries	<b>1,27,58,253</b>	1,16,05,626
	Training and Development Expenses	<b>1,33,789</b>	4,38,384
	Staff welfare expenses	<b>5,64,728</b>	3,02,913
	<b>Total</b>	<b>1,34,56,770</b>	1,23,46,923
<b>19</b>	<b>Finance cost</b>		
	Interest expense on:		
	Others	<b>36838</b>	1684
	<b>Total</b>	<b>36838</b>	1684

## Notes forming part of the financial statements

Note	Particulars	For the Year Ended 31.03.2017 Rs.	For the Year Ended 31.03.2016 Rs.
20	<b>Other expenses</b>		
	Demat/CDSL Charges	4,74,286	4,63,979
	SEBI Charges	2,36,731	1,54,298
	Share with Bussiness Associates	1,11,09,927	98,39,742
	Transaction Charges	43,25,281	29,48,229
	Membership Fees	7,35,212	4,44,048
	VSAT Charges	85,800	85,800
	Security Tansaction Tax	27,13,911	12,68,512
	Telephone Charges	4,71,378	6,71,521
	Bandwidth Charges	8,34,713	45,345
	Conveyance Charges	1,24,065	1,24,705
	Rent	1,88,500	2,08,800
	Repairs and maintenance - Buildings	2,33,031	84,400
	Repairs and maintenance – Vehicles	3,82,143	3,49,703
	Repairs and maintenance - Others	16,31,969	9,80,450
	Insurance	6,70,806	6,46,074
	Travelling Expenses	3,05,229	6,37,450
	Printing and Stationery	1,64,578	2,59,059
	Postage Expenses	1,47,071	1,27,575
	News Paper	13,101	14,390
	Payments to Auditors (Refer Note (i) below)	2,50,000	2,50,000
	Festival Expenses	1,59,267	40,325
	Director Sitting Fees	1,43,000	1,11,000
	General Expenses	3,66,314	2,52,126
	Office Maintenance	5,51,550	4,13,180
	Advertisement Expenses	2,28,388	1,35,937
	Bank Charges	6,11,182	5,44,081
	Consultancy Charges	8,26,100	1,50,722
	Computer Maintenance	1,01,879	2,21,751
	Electricity Charges	9,72,975	11,10,546
	Filing Fees	20,213	73,203
	Rates and Taxes	2,28,193	1,93,374
	R&TMiscellaneous Expenses	12,377	17,664
	<b>Total</b>	<b>2,93,19,170</b>	<b>2,28,67,989</b>
	Notes:		
(i)	Payments to the Auditors comprises		
	As Auditors - Statutory audit	1,42,000	1,42,000
	For Taxation matters	4,000	4,000
	For Tax Audit Fee	60,000	60,000
	For Certification	44,000	44,000
	<b>Total</b>	<b>2,50,000</b>	<b>2,50,000</b>

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

M/s.CIL Securities Limited was 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 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](http://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 prescribed under Section 133 of the Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent applicable. 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.

**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 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 Part 'C' of Schedule II of the Companies Act, 2013.

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

Intangibles – 3 – 6 years.

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

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.

### 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.

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made.

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.

### 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) is 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.

#### 21.16 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.

#### 21.17 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.

#### 21.18 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts.

Futures derivative contracts are marked-to-market and Profit & Losses are recognised in the Statement of Profit and Loss. Option transaction are recognised at cost price till the account is settled.

#### 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 as and when there is no uncertainty in availing / utilising the credits.

## Notes forming part of the financial statements

Note	Particulars	As at 31.03.2017 (Rs)	As at 31.03.2016 (Rs)
21	<b>Additional information to the financial statements</b>		
21.20	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	NIL	NIL
	(b) Bank Guarantees	1360 Lacs	1260 Lacs
	(c) Other money for which the Company is contingently liable	NIL	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>		
21.21	<b>Expenditure in foreign currency #:</b>	<b>For the year ended 31 March, 2017 ₹</b>	<b>For the year ended 31 March, 2016 ₹</b>
	Travelling Expenses	NIL	350877/-
	Other matters*	NIL	NIL
	*Spending in foreign currency during the previous year by the Company has been fully reimbursed, hence is not impacting the financials.		
21.22	Earnings in foreign exchange		
	Professional and consultation fees	NIL	NIL
	Other income-Broking Services	NIL	NIL
21.23	<b>Amounts remitted in foreign currency during the year on account of dividend ##</b>		
	Amount of dividend remitted in foreign currency	NIL	NIL
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	NIL	NIL
	Total number of shares held by them on which dividend was due	NIL	NIL
	Year to which the dividend relates	NIL	NIL
21.24	<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.87090/- (Year ended 31 March, 2017) for Provident Fund contributions and Rs.86811/- (Year ended 31 March, 2016) 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>21.25</b>	<b>Computation of net profit in accordance with section 197 read with section 198 of the Companies Act, 2013 for Managing Director:-</b>		Rs.In Lac
	<b>PARTICULARS</b>	<b>March 31, 2017</b>	<b>March 31,2016</b>
	Profit before Taxation	<b>57.18</b>	165.42
	Add: Managerial Remuneration	<b>32.03</b>	31.32
	Add: Directors Sitting Fees	<b>1.43</b>	1.10
	Less: Profit on sale of Fixed Assets	<b>2.30</b>	0.11
	Less: Extra Ordinary items	<b>-</b>	70.09
	Net profit as per Section 198 of the Companies Act, 2013	<b>88.34</b>	127.64
	Remuneration payable:		
	Minimum / @ 5% of the above profits to the Managing Director	<b>4.42</b>	6.38
	Managerial Remuneration comprises:		
	Salary and Allowances	<b>13.00</b>	13.99
	Medical Reimbursement	<b>0.61</b>	0.24
	Perquisites	<b>0.71</b>	0.81
	Commission	<b>0</b>	0
	Total	<b>14.32</b>	15.04



(Rs.)

## Notes forming part of the financial statements

Details of Related Party Transactions		Year Ended						Outstanding payable
		31.03.2017	Transaction		Services Rendered	Director's Fees	Remuneration	
21.26	Related party transactions		Dr	Cr	Dr/Cr			
	Details of related parties:							
	Description of relationship	Names of related parties						
(a)	Subsidiaries	NIL						
(b)	Key Management Personnel (KMP)	K. K. Maheshwari*	8189571	8189571	5207	1431579	H050	-
			(17955047)	(17955047)	(12435)	(1504191)		
		Piyush Modi	41	41	18	600000	KCP08	-
						(600000)		
		A.K. Inani				1170975	H119	-
						(1028196)		
		Govind Toshniwal				545856		-
						(435098)		
(c)	Relatives of KMP	Gita Devi Maheshwari	53036317	53036317	37267	-	H983	-
			(65300272)	(65300272)	(139526)	-		
		Pramila Maheshwari*	6073740	6073740	6091	52000	H021	-
			(2676795)	(2676795)	(3253)	(13000)		
		Vidhi Maheshwari	4426839	4426839	3854	-	H1664	-
			(10427022)	(10427022)	(21710)	-		
		S. M. Agarwal	89	89	41	-	KCS10	-
					(5495)	(5)		
		Chanda Agarwal				-	KCC04	-
						-		
		Barkha Modi				-	KCB11	-
						-		
		Neera Inani	709358	709358	1235	-	H1899	-
			(485845)	(485845)	(1018)	-		
		Archana Toshniwal				-	H2320	-
			(2043)	(2043)	(3)	-		
(d)	Company in which KMP /	CIL Industries Limited	33524827	33524827	21547	-	HILN	-
	Relatives of KMP can		(41843775)	(41843775)	(41624)	-		
	exercise significant influence	CIL Commodities(P) Limited				-	HILA	-
			(18312220)	(18312220)	(8804)	-		

Canara Securities Ltd	H176	-	-	40763	47649057	47649057	47649057	-
Gita Finvest (P) Ltd	H228	-	-	(55233)	(36918799)	(36918799)	(36918799)	-
Plyush Stock Broking Services Pvt.Ltd	KBP08	-	-	5863	3963195	5044689	5044689	-1256948
Plyush Crefinvest Pvt.Ltd	KCP07	-	-	86	75022	(5824816)	(5824816)	-
Lotus Stock Markets Pvt.Ltd	KCL01	-	-	(725)	(390422)	(390422)	(390422)	-
R.K Maheshwari (HUF)	H976	-	-	19398	19748272	19567091	19567091	-242648
K.K.Maheshwari (HUF)	H1702	-	-	(9265)	(26864967)	(27213116)	(27213116)	-
Smt Nirmala Maheshwari	IN003	-	-	23504	17405087	17405087	17405087	-
Smt Urmila Kothari	H743	-	-	(75976)	(22983954)	(22983954)	(22983954)	-
Anushka Benefit Trust	KCA05	-	-	17720	9915853	9915853	9915853	-
Anika Benefit Trust	KCA07	-	-	(27658)	(10481212)	(10481212)	(10481212)	-
Mrigank Benefit Trust	KCM06	-	-	947	369881	385074	385074	-15193
Haignreev Benefit Trust	KCH03	-	-	(87)	(44922)	(44922)	(44922)	-
Sahil Benefit Trust	KCS12	-	-	-	-	-	-	-
Toshniwal Granites Pvt Ltd	H2193	-	-	219	136427	136457	136457	-30
Urmez Feroz Bhote	H2037	-	-	(31)	(31167)	(31167)	(31167)	-
K K Maheshwari & Others	H2166	-	-	220	136420	136450	136450	-30
		-	-	(36)	(36298)	(36298)	(36298)	-
		-	-	115	75095	75125	75125	-30
		-	-	(26)	(26049)	(26049)	(26049)	-
		-	-	102	73548	73578	73578	-30
		-	-	(46)	(46535)	(46535)	(46535)	-
		-	-	142	84932	84962	84962	-30
		-	-	(26)	(26044)	(26044)	(26044)	-
		-	-	(1220)	(612708)	(612708)	(612708)	-
		-	-	-	244	2500	2500	-114
		-	-	(878)	(411021)	(409505)	(409505)	-
		-	-	7902	8855484	8855484	8855484	-
		-	-	(7810)	(3414618)	(3414618)	(3414618)	-

Note: 1) Related parties have been identified by the Management. 2) \* Personal Guarantee Given to the Bankers

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016	
21.27	<b>Earnings per share</b>			
	<u>Basic</u>			
	<u>Continuing operations</u>			
	Net profit / (loss) for the year from continuing operations	46,93,828	1,31,56,035	
	Less: Preference dividend and tax thereon	-	-	
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	46,93,828	1,31,56,035	
	Weighted average number of equity shares	50,00,000	50,00,000	
Par value per share	10	10		
Earnings per share from continuing operations - Basic	0.94	2.63		
21.28	<b>Deferred tax (liability) / asset</b>			
	<u>Tax effect of items constituting deferred tax liability</u>			
	On difference between book balance and tax balance of fixed assets	1,62,841	1,36,399	
	Tax effect of items constituting deferred tax liability	1,62,841	1,36,399	
	Tax effect of items constituting deferred tax assets			
	Provision for compensated absences, gratuity and other employee benefits	8,44,251	8,22,174	
	Brought forward business losses	0	0	
Tax effect of items constituting deferred tax assets	8,44,251	8,22,174		
<b>Net deferred tax (liability) / asset</b>	<b>6,81,410</b>	<b>6,85,775</b>		
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 as per Income Tax. The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses.				
21.29	Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :-			Rs.
		SBNs	Others denomination notes	
	Closing cash in hand as on 08.11.2016	58000	692	58692
	(+) Permitted receipts	-	173742	173742
	(-) Permitted payments	-	80919	80919
	(-) Amount deposited in Banks	58000	-	58000
	Closing cash in hand as on 30.12.2016	NIL	93515	93515

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

Note	Note	Particulars	For the year ended 31 March, 2017 (Rs.In Lacs)						
21	21.29	<b>Segment information</b>	<b>Business segments</b>						
			A	B	C	D	E	Eliminations	Total
			Securities Dealing and Broking	Merchant Banking Fee	Consultancy Fee	Registrar & Share Transfer agents	Demat / Depository		
		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.	854.16	0.00	1.15	36.86	11.14	-	903.31
		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.	-	-	-	-	-	-	-
			854.16	0.00	1.15	36.86	11.14	-	903.31
			493.69	0.00	0.90	11.86	2.55	-	509.00
		Unallocable expenses (net)							17.95
		Operating income							491.05
		Extra Ordinary item							-433.87
		Profit before taxes							57.18
		Tax expense (Net)							8.84
		Net profit for the year							48.34



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

Note	Particulars	For the year ended 31 March, 2016					(Rs. In Lacs)
		Business segments					
		A	B	C	D	E	Total
		Securities Dealing and Broking	Merchant Banking Fee	Consultancy Fee	Registrar & Share Transfer agents	Demat / Depository	
	Segment assets	2560.33	5.75	0.00	40.38	33.10	2639.56
	Unallocable assets	-	-	-	-	-	68.80
	Total assets (Common)	-	-	-	-	-	2708.36
	Segment liabilities	-	-	-	-	-	-
	Unallocable liabilities	-	-	-	-	-	2708.36
	Total liabilities (Common)	-	-	-	-	-	2708.36
	Other information	-	-	-	-	-	-
	Capital expenditure (allocable)	-	-	-	-	-	14.93
	Capital expenditure (unallocable)	-	-	-	-	-	-
	Depreciation and amortisation (allocable / Common)	-	-	-	-	-	-
	Depreciation and amortisation (unallocable)	-	-	-	-	-	13.98
	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	Depreciation had been computed as per rates prescribed under Company Act, 2013 on the opening w.d.v of the asset block as per Companies Act 1956.						
21.35	Previous Year figures have been regrouped / rearranged wherever considered necessary.						

In terms of our report attached,  
**For Ramkishore Jhawar & Associates**  
Chartered Accountants  
Firm No:003016S

CA Ram Kishore Jhawar  
Proprietor  
M.No. 27970

Place : Hyderabad  
Date : 27.05.2017

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

K K Maheshwari  
**Managing Director**  
**DIN: 00223241**

A. K Inani  
**Director - Finance & CFO**  
**DIN: 00223069**

Govind Toshniwal  
**Company Secretary**

**CIL SECURITIES LIMITED**  
**ANNEXURE: DETAILS OF INVESTMENTS AS AT 31st MARCH, 2017**

NAME OF THE SCRIP	Nos	As At 31.03.2017 Cost Price Rs.	Market value as on 31.03.2017 Rs.	Nos	As At 31.03.2016 Cost Price Rs.	Market value as on 31.03.2016 Rs.
<b>A. In Other Companies (Quoted)</b>						
Equity Shares						
ASHOK LEYLAND	52000	4366487	4396600	0	0	0
BHARAT FINAN INCLUSION	3000	2439878	2425200	0	0	0
BALRAMPUR C	0	0	0	20000	1899004	2157000
BSE LIMITED	2000	2044849	1955300	0	0	0
CHEMF ALKAL	5000	1447761	1449750	0	0	0
COROMANDEL INTL	20000	6651437	6237000	0	0	0
CENTURYPLY	0	0	0	6000	1035295	1025100
COFFEE DAY ENTE	0	0	0	3000	838909	676350
COSMO FILMS	0	0	0	3000	807002	871950
CYIENT LTD	0	0	0	2000	813993	853400
DCB BANK	0	0	0	10000	780002	792500
DATAMATICS	50000	6722825	6335000	0	0	0
DIVI'S LAB	5000	3138409	3119250	0	0	0
EVEREADY	0	0	0	5000	1185249	1162000
ENGINEERS IN	40000	5757264	5758000	0	0	0
FINOLEX IND	0	0	0	5000	1796175	1820750
HINDALCO IN	0	0	0	10000	832002	879500
JINDAL STEEL & POWER	40000	4856126	4840000	0	0	0
KALYANI STEEL	10000	3798468	3613500	10000	1579017	1681500
KPIT CUMMIN	10000	1399222	1297000	0	0	0
KCP SUGAR INDS	0	0	0	30000	719935	840000
KEC INTER	0	0	0	30000	3615740	3669000
LLOYD ELE	0	0	0	20000	4216545	4880000
NATCO PHARMA	0	0	0	6000	2462838	2476200
NIIT LTD	0	0	0	30000	2386209	2368500
NUCLEU SOF	0	0	0	4000	659194	773400
POWERGRID	30000	6088090	5919000	0	0	0
PINCON SPIRIT LTD	0	0	0	10000	1155859	1215000
POLARIS	0	0	0	10000	2104888	1890500
PRAJ INDUSTRIES LTD	0	0	0	30000	2587041	2676000
RAYMOND LTD	15000	9636984	9504750	0	0	0
RAMCO CEMENT	0	0	0	8000	3258310	3203600
SURYALAXMI COTTON	2000	288400	212300	0	0	0
UNICHEM LAB	0	0	0	20000	4591451	4420000
VASCON ENGINEERS LTD	0	0	0	30000	745006	747000
<b>TOTAL (A)</b>	<b>284000</b>	<b>58636200</b>	<b>57062650</b>	<b>302000</b>	<b>40069665</b>	<b>41079250</b>
<b>B IN OTHER COMPANIES (UNQUOTED)</b>						
EQUITY SHARES						
CANARA SECURITIES LIMITED	75000	300000		190000	760000	
<b>TOTAL (B)</b>	<b>75000</b>	<b>300000</b>		<b>190000</b>	<b>760000</b>	
<b>GRAND TOTAL (A+B)</b>	<b>359000</b>	<b>58936200</b>		<b>492000</b>	<b>40829665</b>	

Vide our report of even dated

for Ram Kishore Jhawar & Associates  
Chartered AccountantsCA Ram Kishore Jhawar  
Proprietor  
M.No.27970 & FR NO:003016S  
PLACE: HYDERABAD  
DATE:27.05.2017FOR & ON BEHALF OF THE BOARD of Directors of  
CIL SECURITIES LTDK K Maheshwari  
Managing Director  
DIN:00223241A K Inani  
Director - Finance & CFO  
DIN: 00223069  
Govind Toshniwal  
Company Secretary

**LEFT INTENTIONALLY BLANK**



**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]**

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

**Registered Office : 214, Raghava Ratna Towers, Chirag Ali Lane, Abids,  
Hyderabad - 500001, Telangana, Phone: 040- 2320 3155 / 2465**

**E-mail: advisors@cilsecurities.com ; website: www.cilsecurities.com**

**CIN: L67120TG1989PLC010188**

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: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the members of CIL SECURITIES LIMITED to be held on, Thursday, the 28th Day of September, 2017 at 11.00 A.M. at 608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Abids, Hyderabad -500 001, Telangana and at any adjournment thereof in respect of such resolutions as indicated below:

S.No	Resolutions
1.	Adoption of Financial Statements for the year ended March 31, 2017
2.	Approval of dividend for the year ended March 31, 2017
3.	Re-appointment of Shri K K Maheshwari, who retires by rotation
4.	Re-appointment of Shri Piyush Modi, who retires by rotation
5.	Appointment of M/s Sridhar Jhawar and Associates for a term of 5 years

Signed this..... day of..... 2017

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.

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

Affix  
Revenue  
Stamp of  
not  
less than  
₹ 0.15

**LEFT INTENTIONALLY BLANK**



# CIL SECURITIES LIMITED

Regd. Office: 214, Raghava Ratna Towers, Chirag Ali Lane, Abids  
Hyderabad -500001, Phone: 040- 2320 3155 / 2465

E-mail: advisors@cilsecurities.com ; website: www.cilsecurities.com  
CIN: L67120TG1989PLC010188

## Attendance Slip

(Only shareholders or proxies will be allowed to attend the meeting)

Registered Folio No / DP ID / Client ID	
Name of the Shareholder / Joint Holder / Proxy	
Address of the Shareholder	
No. of Shares held	
Class	Equity

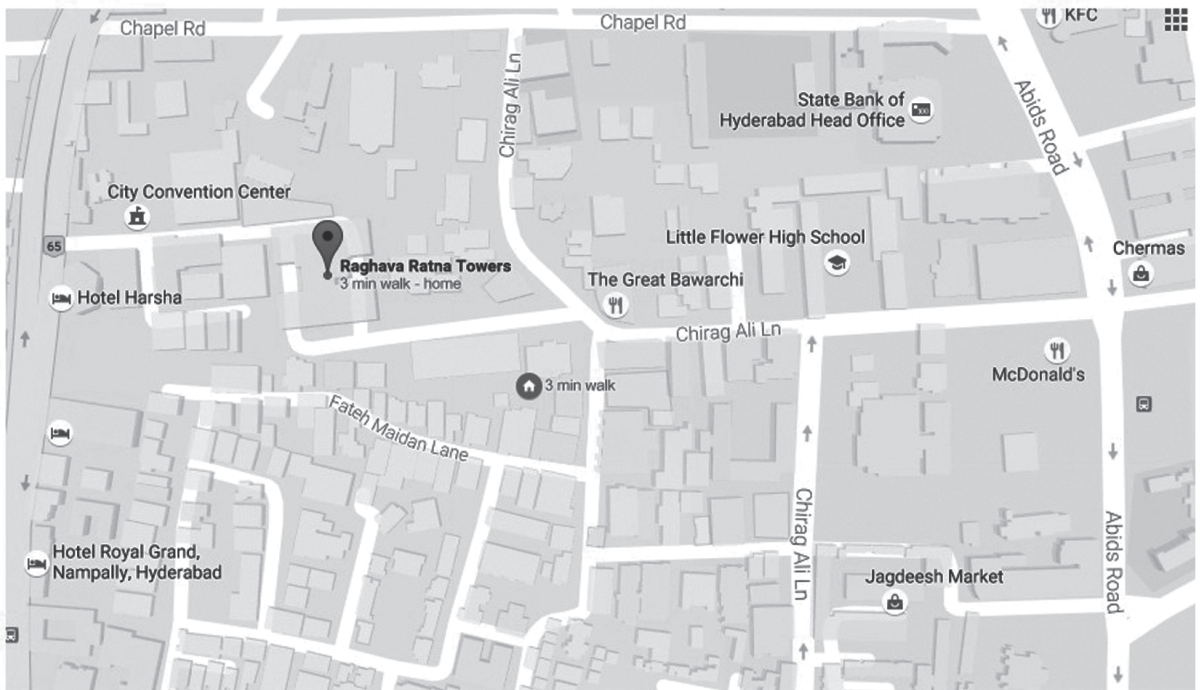
I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held on Thursday, the 28th Day of September, 2017 at 11.00 AM at 608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Abids - Hyderabad - 500001.

Signature of the Member /Joint Holder/Proxy attending the meeting

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue

**LEFT INTENTIONALLY BLANK**

**CIL SECURITIES LIMITED  
ROUTE MAP TO THE VENUE OF AGM  
TO BE HELD ON 28TH SEPTEMBER, 2017  
AT 608, RAGHAVA RATNA TOWERS, NORTH BLOCK,  
CHIRAG ALI LANE, ABIDS, HYDERABAD-500001**



**LEFT INTENTIONALLY BLANK**

**BY - COURIER / REGISTERED POST**

If undelivered, please return to :

**CIL Securities Limited**

214, Raghava Ratna Towers,

Chirag Ali Lane Abids, Hyderabad- 500001