

# CIL SECURITIES LIMITED



**ANNUAL REPORT**  
**2011-12**

## **Company Information**

### **Board of Directors**

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

### **Audit Committee**

V.B.Purnaiah  
M.P.Murthy  
RN Joshi

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

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

### **Remuneration Committee**

M P Murthy  
RN Joshi  
V.B.Purnaiah

### **Auditors**

M/s Ram Kishore Jhavar & Associates  
Chartered Accountants Firm No. 003016S  
4-4-296/297, 1st Floor, Room no 13,  
Mithila Complex, Bank Street, Koti,  
Hyderabad - 500195

### **Solicitors**

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

### **Principal Bankers**

Canara Bank  
HDFC Bank

### **Registered Office**

214, Raghava Ratna Towers  
Chirag Ali Lane, Abids  
Hyderabad- 500 001  
website: [www.cilsecurities.com](http://www.cilsecurities.com)  
e-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)  
Tel No.: 040-23203155

### **Corporate Office**

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

### **Registrar & Share Transfers**

214, Raghava Ratna Towers  
Chirag Ali Lane, Abids  
Hyderabad- 500 001  
E-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)  
Tel No.: 040-23203155  
Fax: 040-23203028

## NOTICE

### NOTICE

Notice is hereby given that the **Twenty Third Annual General Meeting** of the Members of CIL Securities Limited will be held on Tuesday, **28<sup>th</sup> August, 2012** at Mines Safety & Productivity Council, Hyderabad Region, 608, Raghava Ratna Towers, North Block (Medwin Hospital Complex), Chirag Ali Lane, Nampally, Hyderabad – 500 001 at **11AM** to transact the following businesses:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2012, the Profit & Loss account for the year ended on that date, and the Reports of the Board of Directors, Corporate Governance and Auditors thereon.
  2. To declare Dividends on the Equity Shares of the Company.
  3. To appoint a Director in place of Smt.Pramila Maheshwari who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
  4. To appoint a Director in place of Shri.R.N.Joshi, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
  5. To Appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.
- 
- Place: Hyderabad**  
**Date: 25.05.2012**

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

**K.K.MAHESHWARI**  
Chairman & Managing Director
- 
- Registered office  
**214, Raghava Ratna Towers,**  
**Chirag Ali lane, Abids, Hyderabad-500 001**  
**Place: Hyderabad**  
**Date : 25<sup>th</sup> May 2012**
- 
- #### NOTES:
1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
  2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
  3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
  4. Members who hold shares in Dematerialized form are requested to write their DP ID and Client ID and those who hold shares in Physical Form are requested to write their Folio Number in the attendance slip for attending the Meeting.
  5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  6. (a) The Company has already notified closure of Register of Members and Transfer Books from Wednesday, **22<sup>nd</sup> August, 2012 to Tuesday, 28<sup>th</sup> August, 2012** (both days inclusive) for determining the names of Members eligible for Dividend on Equity shares.  
 (b) The dividend on Equity shares, if declared at the Meeting, will be paid on or after, **28<sup>th</sup> August, 2012** to those members whose names shall appear on the Company's Register of Members on, **21<sup>st</sup> August, 2012**; in respect of shares held in Dematerialized form, the dividend will be paid to members whose name are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on date.
  7. (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate Share Transfer Department of the Company, under the signature of the Sole/First Joint holder, the following information to be incorporated on dividend warrants:
    - (i) Name of the Sole/First Joint Holder and the Folio Number;
    - (ii) Particulars of the Bank Accounts, viz:  
 Name of the Bank;  
 Name of the Branch;  
 Complete Address of the Bank with Pin Code Number;  
 Account Type  
 Whether Savings Account (SA) or Current Account (CA);  
 Bank Account Number and MICR code/RTGS/NEFT Code

- (b) Members who wish to change such Bank Account Details are, requested to advise their Depository Participants about such change with complete details of the Bank Account.
  - (c) To avoid loss of dividend warrants in transit and undue delay in respect of Dividend Warrants, the Company has provided a facility to the members for remittance of dividend warrant through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact Share Transfer Department of the Company.
8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Share Transfer Department of the Company, for consolidation into a single folio.
  9. Non-Resident Indian Members are requested to inform the Share Transfer Department of the Company of:
    - (a) Change in Residential Status on return to India for permanent settlement.
    - (b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with the Pin Code number.
  10. Members desirous of any information on the 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.
  11. 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.

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

**K.K.MAHESHWARI**  
Chairman & Managing Director

Registered office  
**214, Raghava Ratna Towers**  
**Chirag Ali lane, Abids,**  
**Hyderabad-500 001**  
**Place: Hyderabad**  
**Date : 25<sup>th</sup> May 2012**

### **NOTICE - GREEN INITIATIVE**

Dear Share Holders,

#### **Sub: email address for mailing Annual Reports, Notices and Other Documents**

As a part of "Green initiative" in the Corporate Governance, the Ministry of Corporate Affairs vide circular no 18/2011 dated 29<sup>th</sup> April 2011 has enabled Companies to send annual reports, notices and other documents through electronic mail.

In the view of the above, we propose to send the annual reports, notices and other documents to our Members through electronic mail.

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

**CIL Securities Limited,**  
214, Raghava Ratna Towers,  
Chirag ali lane, Abids, Hdyyerabad – 500 001  
email: rta@cilsecurities.com / secretary@cilsecurities.com

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

Thanking you  
Yours Sincerely

**For CIL Securities Limited**

**KK Maheshwari**  
Managing Director  
Date: 25 May, 2012

## DIRECTORS' REPORT

Dear Members,

Your Directors present the 23<sup>rd</sup> Annual Report and the Audited Accounts for the financial year ended 31<sup>st</sup> March 2012.

### Financial Results

The Financial performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2012 is summarized below:

Particulars	(Rs. in Lakhs)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Total Revenue	487.68	616.16
Profit before Interest, Depreciation & Tax	96.23	129.92
Profit before Depreciation and Tax	96.23	129.73
Depreciation	21.97	27.38
Profit Before Tax	74.26	102.35
Less: Provision for Tax (Net)	7.68	0.10
Profit After Tax	66.58	102.25
Add: Balance Brought Forward from the last year	945.84	911.89
<b>Profit available for Appropriation</b>	<b>1012.42</b>	<b>1014.14</b>
<b>Appropriations:</b>		
Proposed Equity Dividend	25.00	50.00
Tax on Dividend	4.06	8.30
Transfer to General Reserve	6.75	10.00
Balance carried forward to Balance sheet	976.61	945.84
<b>Total Appropriations</b>	<b>1012.42</b>	<b>1014.14</b>

The Company's Profit after Tax is Rs.66.58 Lacs (Previous Year Rs. 102.25 Lacs). The Board recommends transfer of a sum of Rs.6.75 Lacs (Previous Year Rs.10.00 Lacs) to General Reserve.

### Dividend

Your Directors are pleased to recommend the payment of dividend on equity shares @ 0.50 Rs. per share for the financial year ending 31-03-2012. The total dividend together with tax and surcharge there on will absorb Rs. 29.06 Lacs (Previous year Rs. 58.30 Lacs)

### MARKETS' SCENARIO:

The Financial year 2011-12 witnessed an extreme turbulence in markets & Economies across the globe as bad news from almost all corners across the world kept striking the Financial Markets, relentlessly right through the year. As it were, it turned out to be an year when nothing went right for the Economy as a whole.

The roots of the most problems were sown in the FY'11 itself wherein early signals of slowing growth in India's GDP were visible even as the core inflation was raising its ugly head.

The much hyped about infrastructure boom touted around for the past 4-5 years is actually turning out to be a bug-bear of our Banks especially the PSU Banks. Much of the lending done to this sector, besides that of others like Aviation & several other Commodity Industries is fast converting into Bad Assets even as the Bankers are trying hard to shield them under the guise of Restructured Loans. Further, many renowned Banks are hard pressed to maintain Capital Adequacy & are depending on the Government for Capital Infusion.

Under the circumstances the Capital Markets were, decidedly in a quandary as they slipped into tail-spin. The Stock Markets remained the worst hit as not only the valuations but the

Investor's participation kept on declining at an alarming pace. Dream stocks took no time at all to be re-rated as Nightmares even as Blue-chips started bleeding.

The SENSEX from Highs of 19K+ in early July slumped over 20% to hit 15K in late December while NIFTY witnessed an even more damaging 22% fall, from 5,740 to 4,530 levels, during the same period. What is worse, several prominent non-Index stocks lost 40-50% or even more in several cases. It was wealth destruction all the way that resulted in seriously ousting the common Investor from the markets, in many cases its probably for ever.

The meltdown of the stock prices & the resultant mass exodus of the Investors has had a debilitating effect on the Market Intermediaries, in general, and the Stock Broking Community in particular. Already, this Industry has had problems of its own due to the over-crowding which had already left them with wafer-thin margins despite the high operational risks that it is exposed to.

Further, SEBI's stricter rules with regard to span margins further restricted the scope of larger volumes from Individual Clientele. However, SEBI's initiatives in this regard need to be applauded as it help restrain excessive & indiscriminate exposures. Thus, it might have saved many from potentially higher losses and also helped the settlement cycles to function without too much of hassles.

**GLOBAL ISSUES HURTING:** The ills of the markets were not an Indian phenomenon alone. There have been serious troubles in many geographies across the globe. In fact, the global troubles were accentuated from the ills of the largest Economy, the US itself where the post 2009 spill-over effects had taken the secondary syndrome effect. The highly stressed Bank resources were further hard pressed to support an Economy which was on the verge of a double-dip Recession.

While the global markets were reeling under the influence of the US effects, the Eurozone picked up the malaise and managed to blow up the crisis to newer depths. What started as a Financial stress in Greece soon started to spread to other countries in the zone like Spain, Portugal, Italy etc & soon engulfed the entire Eurozone.

**LIQUIDITY GUSH:** To fight the situation the western world led by the US itself launched a program to create incremental liquidity by way of Quantitative Easing (QE) where in fresh currency would be printed & infused into the system. The US FED did not stop after the first round of \$800B and went ahead with a second round, QE2, of \$500B and attempted to fight the crisis. Not to be left behind, the Eurozone countries too resorted to similar action under the two rounds of what it named as LTRO (Long Term Refinance Operation) and pumped in a gush liquidity.

Whether these efforts by the developed Economies have actually worked is a hugely debatable matter as many countries in the Eurozone are still struggling desperately to stay afloat. The situation in the US is certainly a lot better now, as the Market Indices suggest. Yet, the big concern remains whether it is good enough to pull them out from all the ills, let alone have the power to pull-back the Global Economies on to the growth path.

**CURRENT SCENARIO:** The current scenario is very much a challenging one with a whole lot of concerns. Whether it is the Fiscal Deficit, Current Account Deficit, Inflation, Banking system health or the Tapering growth rate of our Economy – all of them remain systemic risks that can have serious adverse effects. While there are no short cuts to fight these issues, the only way out is for the Government to come out of its self-imposed Policy-Paralysis and take pro-active & bold policy Initiatives which

alone can put the system back on the rail. However, the one thing that remains in tact, thankfully, is the great India Growth story, in times to come.

#### Directors

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

#### Auditor's Report

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

#### Auditors

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

#### Listing Arrangements

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

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

#### Public Deposits

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

#### Insurance

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

#### Statutory Information

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

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

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

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

- (B) Particulars of Employees

Pursuant to provisions of **Section 217(2A) of the Companies act, 1956** read with the Companies (Particulars of Employees) Rules, 1975, none of the employee of the Company has been paid remuneration exceeding **Rs.60 Lacs** per annum or part thereof.

#### Directors Responsibility Statement

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

- ◆ In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ◆ Appropriate Accounting Policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the said period;
- ◆ Proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ◆ The Annual Accounts have been prepared on the basis of a going concern basis.

#### Corporate Governance

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

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

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

A Cash Flow Statement for the Financial Year 2011-12 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 **18.05.2012** a total of **4855309** Equity shares of the Company, which forms **97.10%** of the Share Capital of the Company, stands dematerialized.

#### Acknowledgement

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

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

**K.K.MAHESHWARI**  
Chairman & Managing  
Director

Registered office  
**214, Raghava Ratna Towers**  
**Chirag Ali lane, Abids,**  
**Hyderabad-500 001**  
**Place : Hyderabad**  
**Date : 25<sup>th</sup> May 2012**



## Report on Corporate Governance

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

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

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

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

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

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

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange (Clause 49) and some of the best practices followed internationally on Corporate Governance, a report containing the details of governance systems and processes at CIL SECURITIES LIMITED is as under:

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

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

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

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

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

As on 31<sup>st</sup> March, 2012, the Board of Directors consists of 6 Directors viz., Four Non-Executive Directors (Out of which Three are Independent Directors), one Managing Director and an Executive Director.

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement which stipulates that: (i) Not less than 50% of the Board of Directors should comprise of Non-Executive Directors; and (ii) where the Chairman of the Board is a Non-Executive Director not related to the promoter group, at least one third of the Board should comprise of Independent Directors.

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

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

- (i) **Shri K.K.Maheshwari** is a graduate in Commerce and has experience in the line of investments activity and has more than 24 years of experience. He is the Promoter Director of the Company and has been associated with Company's development and diversification plans. He has experience in Merchant Banking, Registrar & Share Transfer Agents, Stock Broking Activity and other diversified

financial activities. He is a Member of the Shareholders'/Investor Grievance Committee of the Company. Shri K.K.Maheshwari holds 1072700 Equity shares of the Company representing 21.45 percent of the paid up share capital as on 31<sup>st</sup> March, 2012.

He is the Chairman and Managing Director of the Company.

- (ii) **Shri Piyush Modi** is a graduate in Commerce and is having more than 15 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 31<sup>st</sup> March, 2012.

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 20 years. She is Chairperson of the Shareholders'/Investor Grievance Committee of the Company. Smt Pramila Maheshwari holds 421000 Equity shares representing 8.42 percent of the paid up share capital as on 31<sup>st</sup> March, 2012.

She is the Promoter Director of the Company.

- (iv) **Shri M.P Murthy** is a B.A. M.Sc., M.S. (Eng) .He is a Management Consultant having more than four decades of experience in all the areas of Management. He is a Member of the Audit Committee and Chairman of Remuneration Committee of the Company. Shri M.P.Murthy does not hold any shares of the Company as on 31<sup>st</sup> March 2012.

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

- (vi) **Shri V.B.Purnaiah** is a B.A, M.B.A and has experience of more than Four decades having been associated in the top management cadre. He is Chairman of the Audit Committee and member of Shareholders'/Investor's Grievance Committee and Remuneration Committee of the Company. Shri V.B.Purnaiah holds 700 Equity shares representing 0.01 percent of the paid-up capital of the Company as on 31<sup>st</sup> March, 2012.

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

- (e) **Shri Ram Nivas Joshi** is a Commerce Graduate and has more than four decades of experience in Insurance Industry. He has held important executive position in the Insurance Company. He is the Member of the Audit Committee, Shareholders'/Investor's Grievance Committee and Remuneration Committee of the Company. Shri R.N.Joshi does not hold any shares of the Company as on 31<sup>st</sup> March 2012

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, 1956 read with the Rules issued there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

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

Name of the Director	Category	Attendance at Board meetings during 2011-12		No. of other Directorship(s)* Held as on 31.03.2012	No. of Membership(s)/ Chairmanship(s) Committees of other Companies**	
		Board Meetings	Previous AGM		Membership (s)	Chairmanships
Shri K.K.Maheshwari	Executive & Promoter	5	Yes	5	1	0
Shri Piyush Modi	Executive	5	No	0	0	0
Smt Pramila Maheshwari	Non-Executive & Independent	5	Yes	2	0	1
Shri M.P.Murthy	Non-Executive & Independent	5	Yes	3	2	3
Shri V.B.Purnaiah	Non-Executive & Independent	5	Yes	0	1	1
Shri Ram Nivas Joshi	Non-Executive & Independent	3	Yes	0	2	0

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

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

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

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

Sl.No.	Date	Board Strength	No. of Directors Present
1.	28 <sup>th</sup> April 2011	6	5
2.	30 <sup>th</sup> May 2011	6	5
3.	30 <sup>th</sup> August 2011	6	6
4.	5 <sup>th</sup> November 2011	6	6
5.	27 <sup>th</sup> January 2012	6	6