

# **CIL SECURITIES LIMITED**



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

## **Company Information**

### **Board of Directors**

K.K.Maheshwari

Piyush Modi

A.K. Inani

Pramila Maheshwari

M.P.Murthy

V.B.Purnaiah

R.N.Joshi

F.R. Bhote

Chairman and Managing Director

Executive Director

Director-Finance

### **Solicitors**

K Balakrishna & Associates

No 1-1-336/140, Chikkadpally

Hyderabad- 500 020

### **Principal Bankers**

Canara Bank

HDFC Bank

### **Audit Committee**

V.B.Purnaiah

M.P.Murthy

RN Joshi

F.R. Bhote

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

Pramila Maheshwari

K.K. Maheshwari

V.B.Purnaiah

### **Remuneration Committee**

M.P. Murthy

RN Joshi

V.B.Purnaiah

### **Auditors**

M/s Ram Kishore Jhavar & Associates

Chartered Accountants Firm No. 003016S

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

Mithila Complex, Bank Street, Koti,

Hyderabad - 500195

### **Registered Office**

214, Raghava Ratna Towers

Chirag Ali Lane, Abids

Hyderabad- 500 001

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

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

Tel No.: 040-23203155

### **Corporate Office**

130-132, Room No. 20,

II Floor, Great Western Building

Opp. Lions Gate, Fort,

Mumbai-400023

### **Registrar & Share Transfers**

214, Raghava Ratna Towers

Chirag Ali Lane, Abids,

Hyderabad- 500 001

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

Tel No.: 040-23203155

Fax: 040-23203028

**NOTICE**

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

**Ordinary Business:**

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

**Special Business**

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

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

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

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

**KK Maheshwari  
Chairman & Managing Director**

**Registered office**

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

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in Dematerialized form are requested to write their DP ID and Client ID and those who hold shares in Physical Form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. (a) The Company has already notified closure of Register of Members and Transfer Books from **Tuesday, 22<sup>nd</sup> July, 2014 to Monday, 28<sup>th</sup> July, 2014** (both days inclusive) for determining the names of Member eligible for Dividend Equity shares.
- (b) The dividend on Equity shares, if declared at the Meeting, will be paid on or after **Monday, 28<sup>th</sup> July, 2014** to those members whose names shall appear on the Company's Register of Members on , **Tuesday ,22<sup>nd</sup> July, 2014**; in respect of shares held in Dematerialized form, the dividend will be paid to members whose name are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on date.
7. (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate Share Transfer Department of the Company, under the signature of the Sole/First Joint holder, the following information to be incorporated on dividend warrants:
  - (i) Name of the Sole/First Joint Holder and the Folio Number:

- (ii) Particulars of the Bank Accounts, viz:

Name of the Bank;

Name of the Branch;

Complete Address of the Bank with Pin Code Number;

Account Type

Whether Savings Account (SA) or Current Account (CA);

Bank Account Number and MICR code/RTGS/NEFT Code

- (b) Members who wish to change such Bank Account Details are, requested to advise their Depository Participants about such change with complete details of the Bank Account.
- (c) To avoid loss of dividend warrants in transit and undue delay in respect of Dividend Warrants, the Company has provided a facility to the members for remittance of dividend warrant through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact Share Transfer Department of the Company.
8. Voting through electronic means:
  - i. According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.
  - ii. In compliance with provisions of Section 108 of the companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services Limited (CDSL):
  - iii. A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014.

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

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

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

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](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 when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

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

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

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

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

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

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

**ITEM 3**

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

1. Reliance Cellulose Products Limited.
2. Novopan Industries Limited

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

**ITEM 4**

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

1. CIL Industries Limited
2. CIL Commodities Private Limited

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

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

**ITEM 6**

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

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

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

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



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

- 3) Perquisites: Perquisites will be allowed in addition to salary and commission restricted to an amount equal to the annual salary.

Unless the context otherwise requires, the perquisites are classified into 3 Categories "A", "B" & "C" as follows

#### **CATEGORY - A :**

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

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

#### **CATEGORY-B:**

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

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

#### **CATEGORY-C:**

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

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

**Place: Hyderabad**  
**Date: 17.05.2014**

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

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

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

**NOTICE-GREEN INITIATIVE**

Dear Shareholders,

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

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

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

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

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

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

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

Thanking you,  
Yours sincerely,

**For CIL Securities Limited**

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

**Directors' Report**

Dear Members,

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

**Financial Results**

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

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

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

**Dividend**

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

**CURRENT MARKET SCENARIO**

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



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

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

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

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

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

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

## Directors

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

## Auditor's Report

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

## Auditors

**M/s. Ramkishore Jhawar & Associates**, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of Companies Act, 2013. Accordingly the said Auditors can be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting.

## Listing Arrangements

The Company's shares are listed on **BSE LIMITED**.

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

## Public Deposits

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

## Insurance

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

## Statutory Information

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

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

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

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

**(B) Particulars of Employees**

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

**Management's Discussion and Analysis Report**

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

**Directors Responsibility Statement**

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

- § In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- § Appropriate Accounting Policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the said period;
- § Proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- § The Annual Accounts have been prepared on the basis of a going concern basis.

**Corporate Governance**

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

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

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

A Cash Flow Statement for the Financial Year 2013-14 of the Company is attached to the Balance Sheet.

**Depository System**

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

As on 16<sup>th</sup> May, 2014, a total of 4858409 Equity shares of the Company, which forms 97.17 % of the Share Capital of the Company, stands dematerialized.

**Acknowledgement**

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

**Place: Hyderabad**  
**Date: 17.05.2014**

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

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

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