

ANNUAL **REPORT** 2013 - 14



**Consolidated
Securities Ltd**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Kapil Aggarwal	Chairman
Rohit Gupta	Managing Director
Ashok Kumar Kathuria	Director
Anirudha Kumar	Director

REGISTERED OFFICE

8/19, 3rd Floor, W.E.A.
Pusa Lane, Karol Bagh
New Delhi-110005
Tel: 011-42503441-44
Fax: 011-42503444
E-mail: info@consec.in

AUDITORS

R. Mahajan & Associates
Chartered Accountants
402, Jain Bhawan, W.E.A
Karol Bagh
New Delhi-110005

BANKERS

HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area Phase-2,
New Delhi-110020

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Akash Gupta

CHIEF FINANCIAL OFFICER

Mr. Rohit Gupta

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of Consolidated Securities Limited will be held on Tuesday, 30th day of September 2014 at 11:00 a.m. at Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Kathuria (DIN:01010305), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard to consider and if, thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142(1) of the Companies Act, 2013 and the rules made thereunder, M/s. R. Mahajan & Associates, (Firm Registration No. 011348N) Chartered Accountants, New Delhi, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting of the shareholders of the Company held on 30.09.2010 pursuant to the provisions of Section 180(1)(c) of Companies Act, 2013 and applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company, to borrow and raise such sum or sums of money from time to time as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, subject to the provision that such borrowing shall not exceed Rs.500,00,00,000 (Rupees Five Hundred Crores only) over and above the aggregate of the paid-up capital of the Company and its free reserves and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business; on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company."

6. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in partial modification of earlier Resolutions passed at the 15th and 20th Annual General Meetings of

the Company held on 29th September, 2007 and 9th August, 2012 respectively and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of recommendation of the 'Nomination and Remuneration Committee' and as approved by the Board of Directors and subject to the approval of the Central Government, approval of Members of the Company be and is hereby accorded to revise the remuneration of Mr. Rohit Gupta, Managing Director of the company, with effect from April 1, 2014 for the remainder of his tenure as Managing Director, as set out in the Agreement (the Agreement) entered into between the Company and Mr. Rohit Gupta, Managing Director, the copy of which is placed before this meeting and for the purpose of identification, initialed by the Chairman, which Agreement is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and the Managing Director and that such revised remuneration may exceed 5% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof).

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, where, during the term of employment of the Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Managing Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Directors & Company Secretary of the Company, be and are hereby severally authorised to take all necessary steps for the aforesaid purpose and matters incidental thereto, including but not limited to making the necessary application to the Central Government."

Consolidated Securities Limited

Regd. Office:

8/19, 3rd Floor, W.E.A.,

Pusa Lane, Karol Bagh,

New Delhi-110005

(CIN: L74899DL1992PLC051462)

For and on behalf of the Board

By order of the Board

Rohit Gupta

Managing Director & CFO

(DIN: 00045077)

Place: New Delhi

Date: 14th August 2014

NOTES:

1. **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS ANNEXED HERETO.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANISATION.**

MEMBERS ARE REQUESTED TO NOTE THAT A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. Corporate Members are requested to send a duly certified copy of the Board Resolution to the Registered Office of the

Company, pursuant to applicable provisions of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.

4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September 2014 to Tuesday, 30th September 2014 (both days inclusive).
6. Members are requested to bring their own copies to the meeting.
7. Members desirous of any information/clarification on the accounts are requested to write to the Company at least 10 days in advance so as to enable the management to keep the same ready at the Annual General Meeting.
8. Please send your requests for transfer/transmission/consolidation and demat of shares, change of address to our Registrar and Transfer Agents (RTA) - MAS Services Ltd. at T-34, 2nd Floor, Okhla Industrial Area Phase-2, New Delhi-110020
9. Members attending the meeting are requested to bring with them their Client ID and DP ID Numbers/ Folio Numbers for identification. Further members/proxies should bring the attendance slip for attending the meeting.
10. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Transfer Agents, M/s. MAS Services Limited for consolidation of all such shareholding into one folio to facilitate better service.
11. Shareholders holding shares in certificate form are requested to de-materialize their holding in electronic form.
12. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar & Transfer Agents, M/s. MAS Services Limited.

14. Voting through electronic means:

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 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for members for voting electronically are being provided separately at the end of the Annual Report.

15. The Company has designated an exclusive email id viz investor@consec.in to enable the investors to post their queries/suggestions/grievances and monitor its redressal.

Place: New Delhi
Date: 14th August 2014

For and on behalf of the Board

Rohit Gupta
Managing Director & CFO
(DIN: 00045077)

ANNEXURE TO THE NOTICE

Details of the Director seeking re-appointment in the ensuing Annual General Meeting to be held on 30th September, 2014 pursuant to the requirement of the Companies Act 2013 and the Listing Agreement:

Name of Director	Mr. Ashok Kumar Kathuria
DIN	01010305
Date of Birth	24.02.1959
Nationality	Indian
Date of appointment	29.10.2005
Qualification	B.A.
Expertise in specific functional areas	He has about 25 years of rich experience in administration
Shareholding in CSL	Nil
List of outside Directorships	CSL Holdings Private Limited CSL Realtors Private Limited
Chairmanship/membership of the committee of the Board of the Company	Chairman-Investor Relations & Share Transfer Committee Chairman-Stakeholders Relationship Committee Member-Audit Committee Member-Nomination & Remuneration Committee

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4:

The existing Articles of Association ("AoA") of the company are based on the Companies Act, 1956 and the references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

Certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety.

The proposed new draft Articles of Association is being uploaded shortly on the Company's website at www.consec.in for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.4 of the Notice.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the members.

Item No.5:

The members of the Company at their Annual General Meeting held on 30.09.2010 had approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.500,00,00,000/- (Rupees Five Hundred Crores only).

Section 180 of the Companies Act, 2013 effective from 12.09.2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.5 of the Notice. The Board recommends this resolution for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5 of the notice.

Item No.6:

Subject to the approval of the Central Government and the necessary approval by the Members at the Annual General Meeting and on recommendation of the Nomination and Remuneration Committee in its meeting held on March 14, 2014 and approval of the Board of Directors in its meeting held on March 14, 2014, which was further ratified by the Nomination & Remuneration Committee and the Board of Directors on August 14, 2014 (on account of the provisions of the Companies Act, 2013 and rules thereunder), revised remuneration terms of Mr. Rohit Gupta, the Managing Director with effect from April 1, 2014 for the remainder of his tenure as Managing Director, are as under:

- i. **Salary** : Rs.5,00,000/- per month
- ii. **Commission:** Commission at the rate of 3% on the net profits of the company computed in the manner laid down in the applicable provisions of the Companies Act, 2013 & subject to a ceiling of three months' salary of Mr. Rohit Gupta, in a year i.e. Rs.15,00,000/- (Rupees fifteen lacs only) & further subject to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

(including any statutory modification(s) or re-enactment thereof for the time being in force), with the liberty to the Board of Directors to decide and alter/vary the % of commission as may be agreed to between the Board of Directors and Mr. Rohit Gupta,

iii. Perquisites:

- Leave Travel Assistance: for self and family once in a year,
- Medical reimbursement: Reimbursement of all hospitalization and medical expenses actually incurred for self and family provided that the expenses incurred by the company in this regard for him and his family shall be subject to a ceiling of one month's salary in a year,
- Car/telephone: The Company shall provide car for the company's business and cellular phone provided that the personal long distance calls and use of car for private purpose shall be billed by the company to Mr. Rohit Gupta;

the aggregate of all perquisites being subject to a ceiling of two months' salary in a year of Mr. Rohit Gupta i.e. Rs.10,00,000/- (Rupees ten lacs only).

Save and except as indicated hereinabove, other terms of appointment of Mr. Rohit Gupta, Managing Director, are governed by the agreement entered into between the company and Mr. Rohit Gupta. This Explanatory Statement be treated as a written memorandum under Section 190 of the Companies Act, 2013, of the Agreement entered into between the Company and Mr. Rohit Gupta.

A copy of the Agreement referred to in the said resolution is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11:00 A.M. to 1:00 P.M. upto and including the date of Annual General Meeting. In compliance with the applicable provisions of the Companies Act, 2013, a Special Resolution as per the terms set out in Item No.6 of the accompanying Notice is being placed before the members in the Annual General Meeting.

The Board of Directors recommend the resolution for approval by members.

Except Mr. Rohit Gupta, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item no.6 of the notice.

DIRECTOR'S REPORT

Dear Shareholders

Your Directors take pleasure in presenting the 22nd Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2014 together with the Auditor's Report thereon.

1. Financial Performance

(Rs. in Crores)

Particulars	Current year ended 31.03.2014	Previous year ended 31.03.2013
Total Revenue	115.11	106.48
Profit before Tax	9.98	5.96
Less: provision for Taxation	2.78	1.76
Profit After taxes	7.20	4.20

2. Business Operations

During the year under review, the volatility and slowdown in economic growth continued. However, the performance of the company has been good and it has earned a profit after tax of Rs.7.20 crores.

During the year, search proceedings were conducted by the Income tax department. In the opinion of the management of the company, nothing indiscriminate was found in relation to the affairs of the company. The appraisal is still under process and the proceedings are still pending.

3. Transfer to reserves

The Company transferred the profit after tax of Rs. 7.20 crores to the reserves and surplus of the company.

Further, the amount received towards the share premium account amounting to Rs.4.55 crores also forms part of the Reserves and surplus.

4. Dividend

Your directors do not recommend any dividend for the year ended 31st March, 2014.

5. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is not engaged in any activity related to conservation of energy or technology absorption. There were no foreign exchange earnings and outgo during the year under review.

6. Particulars of Employees

There was no employee in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (including any amendment thereof). Therefore, no such statement is required to be furnished.

7. Director's Responsibility Statement

In pursuance to applicable provisions of the Companies Act, with respect to Director's Responsibility Statement, your directors hereby state and confirm:

- that in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable accounting standards has been followed