

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



**Consolidated  
Securities Ltd**

## CONTENTS

Particulars	Page No.
1. Corporate Information	1
2. Notice	2
3. Director's Report	8
4. Secretarial Audit Report	11
5. Management Discussion and Analysis	13
6. Report on Corporate Governance	17
7. Annexure to report on Corporate Governance	
---CFO Certificate	25
---Auditor's Certificate	26
8. Independent Auditor's Report	27
9. Annexure to the Auditor's Report	29
9. NBFC Auditor's Report	31
10. Financials and Notes on Accounts	32
11. NBFC Schedule to the Balance-Sheet	47

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

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

### **REGISTERED OFFICE**

8/19, 3<sup>rd</sup> 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, 2<sup>nd</sup> 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, 30<sup>th</sup> 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 31<sup>st</sup> 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 15<sup>th</sup> and 20<sup>th</sup> Annual General Meetings of

the Company held on 29<sup>th</sup> September, 2007 and 9<sup>th</sup> 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, 3<sup>rd</sup> 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: 14<sup>th</sup> 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, 24<sup>th</sup> September 2014 to Tuesday, 30<sup>th</sup> 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, 2<sup>nd</sup> 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 22<sup>nd</sup> 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](mailto:investor@consec.in) to enable the investors to post their queries/suggestions/grievances and monitor its redressal.

Place: New Delhi  
Date: 14<sup>th</sup> 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 30<sup>th</sup> 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](http://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 22<sup>nd</sup> Annual Report together with the Audited Annual Accounts of your Company for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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:

- a. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2014, the applicable accounting standards has been followed

- b. that the Directors has selected such accounting policies and applied them consistently and made judgment and estimates that were 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 profits or loss of the company for the year under review
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities
- d. that the Directors had prepared the annual accounts for the financial year ending 31<sup>st</sup> March 2014 on a going concern basis.

## 8. Directors

In accordance with the applicable provisions of the Companies Act, as amended upto date and Article 89 of the Articles of Association of the Company, Mr. Ashok Kumar Kathuria, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolutions with regard to above are being placed before the shareholders for their approval. The Board recommends his re-appointment as Director on the Board of the Company in this Annual General Meeting.

A brief profile of Mr. Ashok Kumar Kathuria has been given as Annexure to the Notice of the ensuing Annual General Meeting.

## 9. Audit Committee

The existing Audit Committee is in full compliance to Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and its role and scope is in compliance to those prescribed by Clause 49 of the Listing Agreement.

## 10. Public Deposits

The Company has neither invited nor accepted any deposits from the public during the year under review within the meaning of Section 73 and other relevant provisions of the Companies Act, 2013, if applicable, and rules made there-under and in compliance with the applicable guidelines/directions given by the Reserve Bank of India in this regard.

Further, the board has also passed a resolution to this effect in its meeting in compliance to RBI Guidelines/provisions.

## 11. Auditor' Report and Auditors

The Auditors, M/s. R. Mahajan & Associates, (Firm Registration No. 011348N) Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have given a certificate that their appointment, if made, will be within the limits under Section 141 of the Companies Act, 2013. Necessary resolution in this regard is proposed at the forthcoming Annual General Meeting. The Board recommends their re-appointment.

The observations of the Auditors and notes on statement of accounts are self-explanatory.

## 12. Reserve Bank of India's Directions

During the year under review, your company has duly complied with all the requirements prescribed by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs).

## 13. Listing

The Equity shares of the company are listed at Bombay Stock Exchange (BSE). The Company voluntarily delisted from the Delhi Stock Exchange w.e.f. 28.04.2014.

## 14. Management Discussion and Analysis

The Management Discussion and Analysis Report is given separately, forms part of this report.

## 15. Corporate Governance

Your company has been in full compliance to the requirements of the corporate governance norms and continues to remain committed to maintaining the high standards of corporate governance. A report on Corporate Governance as required under clause 49 of the listing agreement, is given and forms part of this Annual Report. The Auditor's Certificate on compliance of the provisions of Corporate Governance as mentioned in the Listing Agreement is also given.

## 16. Acknowledgment

Your directors take this opportunity to place their sincere appreciation for significant contribution made by all the employees for their dedication, hard work and commitment towards the success and growth of the Company.

The directors also place their thanks to the company's bankers, depositories, Government and all the regulatory authorities including SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies and Reserve Bank of India.

And last but not the least we put our sincere thanks to the shareholders for the confidence reposed by them in the company and looking forward to have the same support in the coming time.

**Place: New Delhi**  
**Date: 14<sup>th</sup> August, 2014**

**For on & behalf of the Board**

**Rohit Gupta**  
**Managing Director**  
**& CFO**

**Ashok Kumar Kathuria**  
**Director**

## Annexure-1

**SECRETARIAL AUDIT REPORT**

To the Members of CONSOLIDATED SECURITIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CONSOLIDATED 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 my opinion thereon.

Based on our verification of the 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 31st March, 2014 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 31st March, 2014 according to the provisions of:

- (i) The Companies Act 1956, Companies Act 2013 (as applicable) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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;
- (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange 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. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.

Adequate notice were 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 members' views 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 there were 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.

**Place: New Delhi**  
**Date: 12th August, 2014**

**For Anuj Solanki & Associates**  
**PRACTISING COMPANY SECRETARIES**

**Anuj Solanki**  
**ACS-31746**  
**CP No:1313**

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY OVERVIEW

#### GLOBAL ECONOMY-

The world economies witnessed sluggish trade and low investment activity, with market sentiments weighed down by economic uncertainties. The weakness in the Euro zone continued along with the dilemma over withdrawal of the US fiscal stimulus as growth in India and China continued to remain sluggish. Speculation about the withdrawal of quantitative easing in the US led to capital flight and currency depreciation, thereby impacting the financial markets in developing countries. The world economy grew at 3% growth in the financial year 2013-14.

Though high inflation and interest rates as well as a deceleration in exports are likely to weigh on growth in emerging markets, the global economic outlook for 2014-15 is more positive as businesses and consumer sentiments are reviving. Growth in advanced economies should pick up in 2015 driven by higher business investment.

#### INDIAN ECONOMY-

During the year under review, the uneven political climate led to stagnant economical scenario, which not only led to lower infusion of investments in the infrastructure & core industries but also led to lower capital expenditure and less job creation. Inflation continued to be on the higher side, thereby ultimately reducing the consumer spending. The Indian economy grew at a rate of 4.7% during the period.

The outlook for economic growth in India looks much more promising as the new government, which took charge in May, has since initiated various measures like minimising tax litigation, loosening caps on foreign investment in railway infrastructure and defense manufacturing, speeding up regulatory approvals and reducing bureaucratic discretion, to attract more investments and remove bottlenecks in the infrastructure, among others, to boost growth. The growth prospects, however, continue to be significantly below pre-crisis levels and well short of the new government's target to raise growth to 7-8 per cent by 2017-18. Inflation expectations have moderated and retail inflation stood at 8.31% in March 2014. The recovery is likely to be supported by increased investment activity due to execution of stalled projects backed by business and consumer optimism. Better exports, lower inflation and project clearances will translate into higher investments leading to an improved business environment in the coming years. Containment of the fiscal and current account deficits in the coming months will provide a cushion to the Indian economy from further volatility.

The new government is engaged in an effort to lift economic growth, which has languished below 5% in each of the last two financial years. Foreign capital inflows to India have risen markedly. India could be seen as one of the world's most attractive investment destination, especially with the opening up of foreign direct investment (FDI) in several sectors.

### INDUSTRY STRUCTURE & DEVELOPMENTS

#### NON-BANKING FINANCIAL COMPANIES (NBFCs)

Banks and financial institutions broadly encompass the framework of the Indian financial system. The rapid rise of financial institutions was facilitated by simplified sanction procedures, flexibility and low-cost of operations. However, tighter liquidity conditions, stringent prudential norms and regulatory changes led to the survival of only a handful of Non-Banking Financial Companies (NBFCs) to partner in the financial inclusion of the country. During the year under review, the banking system in India continued to grapple with rising delinquencies and higher scrutiny from regulators. The core industries and the infrastructure sectors witnessed lower traction in terms of activity, thereby leading to lukewarm activity economic across key states.

The NBFC sector in India is integral to the financial framework of the country. NBFCs are largely involved in serving those classes of borrowers who are generally excluded from the formal banking sector. However, progressively over the years, the exclusiveness between the banks and NBFCs has somewhat blurred. More recently, NBFCs are competing with banks in providing financial services such as infrastructure finance and housing finance among others. NBFCs also often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSME) most suitable to their business requirements. The characteristics of NBFC financial services include simpler processes and procedures in sanction and disbursement of credit; timely, friendly and flexible terms of repayment aligned to the unique features of its clientele, albeit at a higher cost. Unlike the banking sector, entities under NBFCs differ not only in terms of size and sophistication of operations but also in terms of activities they undertake. The NBFC industry has witnessed a Compounded Annual Growth Rate (CAGR) of 22% during March 2006 to March 2013.

The NBFCs have maintained stable asset quality, although cyclical pressures & persistent challenges in the operating environment have started to push up delinquencies levels for the NBFCs. A stable operating performance has facilitated their access to funding from banks and capital markets but at the same time a protracted and sharp contraction in industrial activities (and overall economic growth) can adversely impact their credit quality. The asset quality pressures could further lead to negative rating actions by Credit rating agencies. Conversely, a strong through-the-cycle operating performance, stable asset quality, robust capital buffers and diversified funding profile can lead to positive rating actions.

#### **SEGMENT-WISE PERFORMANCE**

The performance of the company during the year under review has been good with both its major segments i.e. Secured Lending and Proprietary Investments, doing well.

In the Secured Lending segment, the meticulous practices followed by the company both, before and after the disbursement of loans, have resulted in good performance of its loan book whilst maintaining its no-default record at the same time. The loan book as on 31.03.2014 stood at Rs. 52 Cr. (approx.). The company has now been into this segment for 4 years with the loan book fairly seasoned. The comprehensive due diligence along with speed of decision making have made it not just a lender of choice for small, mid-sized companies but also helped it create long lasting relationships with its clients in the Delhi & NCR region. The blended yield for the FY 2013-14 was 20.37%.

The company continues to cater to the short-term/working capital requirements of small, mid-sized companies. The company's focus on analyzing borrower's cash-flows continues to be a key criteria whilst carrying out due-diligence of a loan proposal. During the year under review, the loan book has been further diversified by the company to mitigate any exposure risks. New clients have been added during the year under review. Given the increased challenges in the operating environment on account of overall slowness in economy and tight liquidity conditions, consolidation of the loan book continues to be the guiding principle of the company and the company continues to do it successfully by evaluating not just the quantitative factors of the borrower company but also the qualitative factors of its promoters & management. The knowledge & experience of the management has been the prime driver in achieving the zero default rate. The company is confident of further scaling up its loan book in the coming years.

The other vertical i.e. Proprietary Investments, wherein the company trades in arbitrage opportunities arising in the stock market like Open Offers, Demergers, Delistings etc has been satisfactory; despite the extreme unpredictability prevailing in the stock market on account of micro & macro-economic factors, the performance of the company has been satisfactory during the year 2013-14. The changing political & economic scenario in India as well as reviving global factors, will decide the course of the deployment of funds in this segment in the coming years.

Going forward, the company's intends to focus on its secured lending business and further expand its loan book as it sees



ample opportunities in the lending space, for those NBFCs which have the right set of people, knowledge, internal systems & network in place. It plans to enter new segments like working capital loans to industrial units. It is also studying various business models across wholesale and retail lending, to further diversify its assets base.

## **BUSINESS OUTLOOK**

The performance during the year has been extremely encouraging and the company intends to carry on the good work in the years to come. Though, the business environment has gotten more challenging, the company strongly believes that with a strong & prudent internal working system in place, it would be able to keep itself in good stead in its field of operations. The company continues to improve its processes in the loan due diligence & post-monitoring procedures, so as to enable it to further refine its decision point and credit rating models. The Company's prudent risk management has helped maintain a better asset quality, which has resulted in steady growth despite market volatilities. The Company focuses on building long-term relationships with all stakeholders, including customers, bankers, investors, dealers and employees.

The company understands the evolving economic and regulatory environment and this has helped it maintain strong profitability, despite macroeconomic headwinds. With the new government in place since May 2014, the company feels that the healthy economic growth in the years to come and the likely higher industrial growth & improved investment sentiments, could make way for further opportunities for NBFCs along with betterment of asset quality.

Though the short-term environment might prompt the company to follow a cautionary approach, the company firmly believes it has set itself in the right direction for long-term success in the Secured lending segment. We shall continue to expand our loan book.

## **RISKS AND CONCERNS**

During the year under review, the political uncertainty in India and the global economic factors have further added to the unpredictability of the already challenging business environment. The company keeps itself abreast of the biggest as well as the smallest micro & macro economic factors so as to identify opportunities & challenges at the right time, which further enable to take corrective action at the right moment and thereby safeguard its loan book as well as proprietary investments. There is a constant focus on risk identification and its mitigation, with the procedures being reviewed periodically, to ensure the focus of the Company is aligned to the changing business environment.

With the introduction of the new Companies Act and the increased monitoring of NBFCs by the Reserve Bank of India, there has been a significant increase in the level of disclosures, filings to be done to the regulatory authorities. In addition to creating new challenges in the workings of the company, these can also lead to an overall increase in the cost of compliance. The company continues to duly comply with all the laws & regulations as amended upto date.

In a recent development, the Supreme Court in Dashrath Rupsingh Rathod Vs. State of Maharashtra & Anr. has held that a Complaint of Dis-honour of Cheque can be filed only to the Court within whose local jurisdiction the offence was committed i.e. where the cheque is dishonoured by the bank on which it is drawn.

The company is putting in measures to avoid any adverse impact arising out of the above in future.

The company is hopeful of its risk-mitigating approaches holding the company in good stead in the future.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has put in place an efficient and effective internal control system to safeguard its assets and ensure operational excellence. The system also meticulously records all transaction details and at the same time ensures regulatory compliance. The organisation structure is clear with well defined roles for all personnel, to ensure effective coordination &

execution. The lapses are identified and wherever deemed necessary, internal control systems are strengthened and corrective actions initiated.

### **FINANCIAL PERFORMANCE**

The company had Sales of Rs.112.96 crores this financial year Vs. Rs.105.78 crores in the previous year.

The Company's Profit before Tax (PBT) stood at Rs.9.98 crores as against Rs.5.96 crores during the previous year 2012-13. The corresponding figures for Profit after Tax (PAT) are Rs.7.20 crores and Rs.4.20 crores for the current year and previous year, respectively.

### **HUMAN RESOURCES**

The company believes that human resources form the most critical aspect of its success or failure. The company has the right set of experienced people with the right set of knowledge & skills and at the right places, to make the most of every opportunity that is identified and at the same time to safeguard the assets of the company. As the company continues to focus on the secured lending segment, it makes sure that the secured lending team is equipped with the right set of experience & skills. The reallocation of responsibilities done in the last few years has reaped good results for the company and shall continue to do so. The no-default record of the company is a reflection of the same. As and whenever needed, the company continues to focus on attracting and retaining employees with valuable experience in the fields of its operations. The personal ambitions of the employees are at complete harmony with the organizational goals and the atmosphere is apt for a well-knit forge towards further growth of the company.

As on 31<sup>st</sup> March 2014, the company has 9 people on its payrolls.

### **CAUTIONARY STATEMENT**

Statement in the Management Discussion and Analysis of financial condition and result of operations of the Company, describing Company's objectives, expectations or predictions are "forward looking statements" within the meaning of applicable Securities Laws and Regulations. Investors are cautioned that actual results could differ materially from those express and implied. Important factors that could make a difference to the Company's operations include economic conditions, Government policies, taxation laws, market conditions, over which the Company does not have any control. This report must be read in conjunction with Company's financial statements and notes on accounts.

## **REPORT ON CORPORATE GOVERNANCE**

**(Pursuant to Clause 49 of the Listing Agreement)**

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

The Company strongly believes that sound corporate governance in all its practices is critical not only for the creation of wealth for its stakeholders but for the better interest of the company in the long run. The company adheres to all the applicable laws and regulations. The company will keep on striving for further higher standards of corporate governance.

### **2. Prevention of Insider Trading**

The Company has instituted a comprehensive code of conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Companies Act, 2013.

### **3. Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy pursuant to which employees of the company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the company.

### **4. Board of Directors**

#### **A. Composition of Board**

The Board has an optimal mix of Executive and Non-Executive Directors and is in full compliance to Clause 49 of the Listing agreement which says that atleast 1/3<sup>rd</sup> of the Board should consist of Independent director where the Chairman of the Board is non-executive director.

As on 31<sup>st</sup> March 2014, there are four (4) directors on the Board of the company, out of which three (3) directors are Non-executive and two (2) amongst those are Independent directors. The size and composition of the Board confirms with the norms prescribed in Clause 49 of the Listing Agreement.

None of the directors of the Company are related inter-se to each other.

Except Managing Director, all the directors are liable to retire by rotation.

#### **B. Board Meetings**

During the year 2013-14, the Board of Directors met 6 (six) times. The dates of these meetings were: 22<sup>nd</sup> April 2013, 29<sup>th</sup> May 2013, 14<sup>th</sup> August 2013, 29<sup>th</sup> October 2013, 29<sup>th</sup> January 2014 and 14<sup>th</sup> March 2014.

The attendance at the Board Meetings during the financial year and the last Annual General Meeting as also the number of other Directorships and Committee Memberships are given below:

Name of Director	Category of Director	Attendance	
		Board Meeting	Last AGM
Mr. Rohit Gupta (DIN: 00045077)	Executive Promoter Managing Director	6	Yes
Mr. Ashok Kumar Kathuria (DIN: 01010305)	Non-Executive Promoter Director	6	Yes
Mr. Kapil Aggarwal (DIN: 00032225)	Non-Executive Independent Director	5	Yes
Mr. Anirudha Kumar (DIN: 00084495)	Non-Executive Independent Director	5	Yes

No. of other directorships and committee membership as on 31<sup>st</sup> March 2014 is as follows:

<b>Name of Director</b>	<b>No. of other Director-ships</b>	<b>No. of other Committee Memberships/Chairman-ships*</b>
Mr. Rohit Gupta	3	Nil
Mr. Ashok Kumar Kathuria	2	Nil
Mr. Kapil Aggarwal	Nil	Nil
Mr. Anirudha Kumar	2	Nil

\*Represents Memberships/ Chairmanships of Audit Committees and Investor Grievance Committee.

### **C. Remuneration of Directors**

During the year, the non executive independent directors were paid a total of Rs.50,000/- as sitting fees for attending the board meetings. Such sitting fees is well within the limits specified under the Companies Act and rules made thereunder.

The Company has paid Rs.30,00,000/- as remuneration to Mr Rohit Gupta, which is well within the limits of the Companies Act 1956 read with Schedule XIII of the Act and is in accordance with the approval of the shareholders obtained in the Annual General Meeting of the company held on 09.08.2012.

### **D. Code of Conduct**

The Board of Directors has laid down a code of conduct for directors and senior management personnel of the Company under Clause 49 of the Listing Agreement. The Code of conduct is also updated at the website of the Company [www.consec.in](http://www.consec.in).

The Code has been circulated to all the directors and senior personnel of the company who has affirmed compliance with this Code for the year ended 31<sup>st</sup> March 2014. A declaration of compliance of this code signed by the Managing Director & CFO is given below:

“In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, I, Rohit Gupta, CFO & Managing Director of the Company, hereby declare that the all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2014.

**Rohit Gupta**  
**CFO & Managing Director”**

## **5. Audit Committee**

The Audit Committee comprises of three (3) directors out of which two (2) directors are non-executive independent director. The Chairman of the Audit Committee is non executive independent director. All the members of the Committee have good financial and accounting knowledge. The Audit Committee satisfies the requirement under the Companies Act as amended upto date and Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee. The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement.

The chairman of the Audit Committee was present in the last Annual General Meeting to answer shareholders query.

During the year the committee met four (4) times on 29<sup>th</sup> May 2013, 14<sup>th</sup> August 2013, 29<sup>th</sup> October 2013 and 29<sup>th</sup> January 2014. The details of the composition, its meeting and attendance are given below:

Name of Directors	Designation	Category	Attendance
Mr. Kapil Aggarwal	Chairman	Non-Executive Independent Director	4
Mr. Anirudha Kumar	Member	Non-Executive Independent Director	4
Mr. Ashok Kumar Kathuria	Member	Non-Executive Director	4

During these meetings, the committee, inter-alia, reviewed the financial statements before submission to the board, oversees the company's financial reporting process and the working of its internal control system.

## 6. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of three (3) directors out of which two (2) directors are non-executive independent directors. The Chairman of the Nomination & Remuneration Committee is non executive independent director. The Nomination & Remuneration Committee satisfies the requirement under Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee. The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement. The details of the composition are given below:

Name of Directors	Designation	Category
Mr. Anirudha Kumar	Chairman	Non-Executive Independent Director
Mr. Kapil Aggarwal	Member	Non-Executive Independent Director
Mr. Ashok Kumar Kathuria	Member	Non-Executive Director

## 7. Investor Relations & Share Transfer Committee

The Committee consists of two (2) directors i.e. Mr. Ashok Kumar Kathuria and Mr. Rohit Gupta. Mr. Ashok Kumar Kathuria, a non-executive director is acting as the Chairman of the Committee. Mr. Akash Gupta-Company Secretary & Manager (Legal) acts as the its Secretary.

The Committee deals with the following:

- Noting transfer/transmission of shares
- Review of demat/remat of shares
- oversee redress shareholder's grievances like non-receipt of balance-sheet/ annual report and other related matters
- Other matters related to shares

During the year, 4 (four) meetings of the Committee were held. All the members of the Committee were present in the meeting.

During the year under review, no investor complaints were received. As on 31<sup>st</sup> March 2014, no investor complaint was pending.

## 8. Stakeholders Relationship Committee

The Committee consists of 2 (two) members i.e. Mr. Ashok Kumar Kathuria and Mr. Akash Gupta. Mr. Ashok Kumar Kathuria, a non-executive director is acting as the Chairman of the Committee.

The Committee deals with resolving the grievances of security holders of the Company.

### General Body Meetings

The last three Annual General Meetings were held as under:

AGM Year	Date	Venue	Time	Special resolution(s) passed
2012-13	30.09.2013	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	12:15 p.m.	Nil
2011-12	09.08.2012	Hotel Jivitesh, Sat Brahma Road, Karol Bagh, New Delhi-110005	10:30 a.m.	2
2010-11	30.09.2011	Hotel Swati Deluxe Banquet Hall, 17A/32, Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005	10.00 a.m.	Nil

### Postal Ballot

No postal ballots were used for voting at these meetings in respect of the resolutions passed thereat.

### Extra-ordinary General Meeting (EOGM)

During the year under review, the Company has not conducted an Extra-Ordinary General Meeting.

## 9. Disclosures

- During the year 2013-14, other than the transactions entered in the normal course of the company, the Company has not entered any materially significant related party transaction with its Promoters/ Directors/ Senior Employees or relatives etc., which could have a potential conflict with the interest of the Company at large. The details of the related party transactions have been reported in the notes to accounts in compliance with AS 18.
- During the year under review, the Company has duly complied with the requirements of the regulatory authorities on capital markets.
- In preparation of financial statements, the company has followed the Accounting Standards laid by the Institute of Chartered Accountants of India to the extent applicable and the significant accounting policies have been set out in the Notes to the Accounts.
- The Company is complying with all mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement.

## 10. Means of Communication

Quarterly/Annual results

The quarterly/ annual financial results are usually published in 'The Financial Express/ Business Standard (English) and in 'Jansatta'/ 'Amritvarsha/BPN Times(Hindi).

Further, the Company disseminates to the Stock Exchange (i.e. BSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/operations, for the information of the public at large. Further the information about the company and its financials are available at its website also "[www.consec.in](http://www.consec.in)".

## 11. General Information for Shareholders

### 11.1 Forthcoming Annual General Meeting

- |                  |  |
|------------------|--|
| Date, Day & Time | - 30 <sup>th</sup> September 2014 (Tuesday)<br>at 11:00 a.m.                                       |
| Venue            | - Hotel Swati Deluxe Banquet Hall, 17A/32,<br>Gurudwara Road, W.E.A., Karol Bagh, New Delhi-110005 |

**11.2. Financial Calendar 2014-15 (tentative)**
**Approval of quarterly/Annual Results**

For the quarter ending June, 2014	-	August 14
For the quarter ending September, 2014	-	Oct./Nov.14
For the quarter ending December, 2014	-	Jan./Feb.15
For the quarter/year ended March, 2015	-	April 14/May 15

**11.3 Book Closure dates**

Wednesday, 24<sup>th</sup> September 2014 to Tuesday, 30<sup>th</sup> September 2014  
(Both days inclusive).

**11.4 The Company is listed at the following stock exchange**

The Bombay Stock Exchange Limited (BSE)  
25<sup>th</sup> Floor, P. J. Towers, Dalal Street  
Mumbai-400001

Annual Listing Fees for the Financial Year 2014-15 has been duly paid to BSE. The Company has also paid Annual Custodial Fees to NSDL and CDSL for the year 2014-15.

**11.5 Stock Code**

The Bombay Stock Exchange Limited	: 530067
CIN (as allotted by Ministry of Corporate Affairs)	: L74899DL1992PLC051462

**11.6 Stock Market Data**

BSE Scrip Code	: 530067
For the period	: April 2013-March 2014

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Apr-13	23.45	26.70	23.45	26.00	1,378
May-13	24.75	30.90	23.50	29.50	13,284
Jun-13	28.10	28.10	26.80	26.80	134
Jul-13	25.50	29.00	22.30	29.00	1,585
Aug-13	27.65	29.45	25.00	29.45	2,604
Sep-13	28.00	28.00	23.15	23.15	1,017
Oct-13	22.05	24.15	21.50	24.15	1,823
Nov-13	23.00	25.45	22.90	23.00	1,27,051
Dec-13	22.15	26.00	20.80	26.00	14,296
Jan-14	24.75	26.50	21.50	25.05	11,358
Feb-14	25.05	26.20	23.00	25.15	1,925
Mar-14	24.00	25.20	22.00	23.00	1,713

### 11.7 Performance in comparison with BSE

Month	Sensex Closing	CSL Close Price
Apr-13	19,504.18	26.00
May-13	19,760.30	29.50
Jun-13	19,395.81	26.80
Jul-13	19,345.70	29.00
Aug-13	18,619.72	29.45
Sep-13	19,379.77	23.15
Oct-13	21,164.52	24.15
Nov-13	20,791.93	23.00
Dec-13	21,170.68	26.00
Jan-14	20,513.85	25.05
Feb-14	21,120.12	25.15
Mar-14	22,386.27	23.00

### 11.8 Registrar and Share Transfer Agent

M/s. MAS Services Limited  
T-34, 2<sup>nd</sup> Floor,  
Okhla Industrial Area Phase-2,  
New Delhi-110 020  
Tel: 011-26387281, 82, 83 Fax: 011-26787384  
Email: info@masserv.com

### 11.9 Share Transfer System

Share transfer and other related operations for the Company-Consolidated Securities Limited, is conducted by M/s. MAS Services Ltd, Registrar and Share Transfer Agent. Share transfer are processed and share certificates are returned within stipulated time period subject to the documents being valid and complete in all respects.

Further, the Company obtains six monthly certificate from Practicing Company Secretary regarding the adherence to the timely transfer of shares as stipulated under clause 47 (c) of the Listing Agreement.

### 11.10 Distribution of shareholding

Distribution of shareholding as on 31<sup>st</sup> March, 2014 is as under:-

Shareholding of Nominal Value of Rs.	No. of shareholders		Number of Shares	Amount	
	Number	%		Rs.	%
Upto 5,000	1085	79.545	180984	1809840	3.865
5001-10,000	144	10.557	114860	1148600	2.453
10,001-20,000	55	4.032	82870	828700	1.770
20,001-30,000	27	1.979	66348	663480	1.417
30,001-40,000	6	0.440	21293	212930	0.455
40,001-50,000	10	0.733	44311	443110	0.946
50,001-1,00,000	21	1.540	158237	1582370	3.380
1,00,001 & above	16	1.173	4013304	40133040	85.714
<b>Total</b>	<b>1364</b>	<b>100.000</b>	<b>4682207</b>	<b>46822070</b>	<b>100.000</b>



Shareholding pattern of the Company as on 31<sup>st</sup> March 2014 was as under:

Category	No. of shares held	% of Equity Capital
Promoters	35,01,968	74.79
Mutual Funds	Nil	Nil
Bodies Corporate	3,63,746	7.77
Non-Resident Indians/OCB	92,524	1.98
Others	7,23,969	13.16
Total	46,82,207	100.00

### 11.11 Dematerialization of shares

As on 31<sup>st</sup> March, 2014, 94.74% of the Share Capital stands dematerialized. The break-up of equity shares held in demat and physical form as on 31<sup>st</sup> March 2014 is as follows:

Particulars	No. of shares	% of shares
Held in dematerialized form in NSDL	39,56,787	84.51
Held in dematerialized form in CDSL	4,79,195	10.23
Physical	2,46,225	5.26
<b>TOTAL</b>	<b>46,82,207</b>	<b>100.00</b>

The Company's shares are traded at BSE.

The promoters hold their entire shareholding in dematerialized form.

### 11.12 Address for investor's correspondence

For share transfer/transmission/  
Dematerialization or other query relating  
to the securities of the Company:

M/s MAS Services Limited  
T-34, 2<sup>nd</sup> Floor  
Okhla Industrial Area Phase-2,  
New Delhi-110 020  
Tel: 011-26387281, 82, 83  
Fax: 011-26787384  
Email: info@masserv.com

For General Correspondence:

Secretarial Department  
Consolidated Securities Limited  
8/19, 3<sup>rd</sup> Floor, Pusa Lane,  
W.E.A., Karol Bagh,  
New Delhi-110005  
Tel: 011-42503441-44  
Fax: 011-42503444

Email id for investor grievance:

[investor@consec.in](mailto:investor@consec.in)

Compliance Officer

Mr. Akash Gupta,  
Company Secretary  
& Manager (Legal)

## ELECTRONIC SERVICE OF DOCUMENTS TO REGISTERED EMAIL ADDRESS

In view of the Green Initiatives announced by the Ministry of Corporate Affairs, the Company shall send all documents to Shareholders like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those shareholders, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the shareholder's registered email address for serving documents including those covered under the applicable provisions of the Companies Act as amended upto date and the applicable provision of the Listing Agreement executed with the Stock Exchange.

To enable the servicing of documents electronically to the registered email address, we request the shareholders to keep their email addresses validated/updated from time to time. We wish to reiterate that Shareholders holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Shareholders holding shares in physical form have to write to our RTA, M/s. MAS Services Limited at their address specified below, so as to update their registered email address from time to time

M/s MAS Services Limited,  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area  
Phase-2, New Delhi-110020,  
Tel: 011-26387281, 82, 83, Fax: 011-26787384  
Email: info@masserv.com

Please note that the Annual Report of the Company will also be available on the Company's website [www.consec.in](http://www.consec.in) for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the shareholder, any time, as a member of the Company.

## **CFO CERTIFICATION**

**The Board of Directors,  
Consolidated Securities Limited  
8/19, 3<sup>rd</sup> Floor, Pusa Lane,  
W.E.A., Karol Bagh,  
New Delhi-110005**

I, the undersigned, do hereby confirm and certify under Clause 49 of the Listing Agreement that:-

1. I have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2014 and its schedule and notes on accounts, as well as the Cash Flow Statement and to the best of my knowledge and belief:
  - ❖ These statements do not contain any materially untrue statement or omit 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 existing accounting standards, applicable laws and regulations.
2. I also certify, that based on my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the 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 propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit Committee, as may be applicable:
  - ❖ significant changes in internal control during the year; if any,
  - ❖ there were no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; if any, and
  - ❖ there were no instances of fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting system.

**Place: New Delhi  
Date: 29<sup>th</sup> May, 2014**

**For Consolidated Securities Limited**

**Rohit Gupta  
CFO & Managing Director  
(DIN - 00045077)**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE AS STIPULATED  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**CERTIFICATE**

To

The members of  
Consolidated Securities Limited,

We have examined the compliance of conditions of Corporate Governance by the Consolidated Securities Limited, for the year ended on 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company, with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

***For R. Mahajan & Associates  
Chartered Accountants  
F.R.N. 011348N***

Place: New Delhi  
Date: 29.05.2014

**Ratnesh Mahajan  
Partner  
M. No. 085484**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**CONSOLIDATED SECURITIES LIMITED**

We have audited the accompanying financial statements of Consolidated Securities Ltd. ('the company') which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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**

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2014
- (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 (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in annexure a statement of the matters specified in paragraphs 4 and 5 of the Order
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were

- necessary for the purpose of our audit;
- b. in our opinion 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 the 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 the Accounting Standards notified under the Act (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).
  - e. on the basis of written representations from the directors as on 31<sup>st</sup> March, 2014 and taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of 274(1)(g) of the Act.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : New Delhi  
Date : 29.05.2014

For **R Mahajan & Associates**  
Chartered Accountants  
FRN: 011348N  
  
(Ratnesh Mahajan)  
**Partner**  
M. No: 085484

The Annexure referred to in paragraph 1 under the heading of “Report on other Legal and Regulatory Requirements” of Our Report of even date to the members of Consolidated Securities Limited. on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1.
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. During the year, the company has not disposed off substantial part of fixed assets.
2.
  - a. The management has conducted physical verification of inventory of shares held as stock-in-trade at reasonable intervals.
  - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3.
  - a. The Company has granted unsecured loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956. and the amount involved is Rs. 686 Lacs. And the year end balance of such loan was NIL
  - b. In our opinion the rate of interest and other conditions of loans given by the company are prima facie not prejudicial to the interest of the Company.
  - c. The loan given by the company has been received back
  - d. There is no overdue amount of the loan given to the company
  - e. The Company had taken unsecured loan from one company covered in the register maintained under section 301 of the companies Act, 1956. The amount involved during the year was Rs. 829 Lacs and the year end balance of loan taken from such parties was Rs. 342.70 Lacs.
  - f. In our opinion the rate of interest and other conditions of loans taken by the company are prima facie not prejudicial to the interest of the Company.
  - g. Payment of the principal & interest is also regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5.
  - a. Based on the audit procedures performed by us and according to the information, explanations and representation given to us, we are of the opinion that the particulars of the contracts or arrangement referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
  - b. In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contract or arrangement have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58 A, 58 AA or any other relevant provision of the Companies Act, 1956 and rules made there under. Hence, the clause (vi) of the order is not applicable.
7. In our opinion the Company does not have a formal internal audit system which is commensurate with its sizes and nature of its business.
8. We have been informed that the Central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.

9. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues to the extent applicable have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date of becoming payable.
- b. According to the information and explanation given to us, there are no dues of Sales Tax, Custom Duty, Wealth Tax, cess which have not been deposited on account of any dispute except the following

Nature of Statute	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1089849/-	ITAT
Income Tax Act, 1961	Income Tax	595782/-	CIT (Appeal)

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks. Company has not taken any loans from financial institutions and also not issued any debenture. Hence question of default does not arise.
12. According to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly paragraph 4 (xii) of the order is not applicable.
13. In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/ Nidhi/mutual benefit fund/societies are not applicable to the company.
14. According to the information and explanations given to us, proper records have been maintained in respect of transaction and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. The shares and other investment have been held by the company in its own name except to the exemption, if any, granted under section 49 of the Act.
15. As explained by the management, company has not given guarantee for loans taken by other from banks or financial institutions.
16. As per information and explanations given to us term loans were applied for the purpose for which loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The price at which the shares have been issued are not prejudicial to the interest of the company.
19. According to the information and explanations given to us and the records examined by us, the company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) issued are not applicable to the company.
20. The company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.

**For R. Mahajan & Associates**  
Chartered Accountants  
F.R.N. 011348N



## NON BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

To,

The Board of Directors  
Consolidated Securities Limited  
8/19, 3<sup>rd</sup> Floor, Pusa Lane,  
W.E.A., Karol Bagh,  
New Delhi-110005

Dear Sir,

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India, on the matters specified in para 3 and 4 of the said Directions to the extent applicable to the Company, we report that:

1. The Company had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 and has been granted certificate of registration by Reserve Bank of India on 03<sup>rd</sup> March 2003 having Registration No. B-14.00652.
2. The Company has passed a resolution for non-acceptance of public deposits.
3. The Company has not accepted any public deposits during the year 2013-14.
4. For the financial year ended 31.03.2014, the Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to the Company.

**For R. Mahajan & Associates**  
**Chartered Accountants**  
**F.R.N. 011348N**

Place: New Delhi  
Date: 29.05.2014

**Ratnesh Mahajan**  
**Partner**  
**M. No. 085484**

## BALANCE SHEET AS AT 31st MARCH, 2014

(Amount in Rs.)

PARTICULARS	NOTE	AS AT 31st March 2014	AS AT 31st March 2013
<b>I.EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUND</b>			
(A) SHARE CAPITAL	02	46,822,070.00	43,572,070.00
(B) RESERVES AND SURPLUS	03	726,601,819.46	643,201,180.18
(C) MONEY RECEIVED AGAINST SHARE WARRANTS		-	12,225,000.00
<b>(2) NON CURRENT LIABILITIES</b>			
(A) LONG TERM BORROWINGS	04	850,427.00	1,139,627.60
(B) DEFERRED TAX LIABILITIES(NET)		164,595.00	99,370.00
<b>(3) CURRENT LIABILITIES</b>			
(A) SHORT TERM BORROWINGS	05	42,473,744.00	121,975,825.89
(B) OTHER CURRENT LIABILITIES	06	11,890,894.06	6,894,909.22
(C) SHORT-TERM PROVISIONS	07	4,624,495.00	1,910,421.00
<b>TOTAL</b>		<b>833,428,044.52</b>	<b>831,018,403.89</b>
<b>II.ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
(A) FIXED ASSETS			
(i) TANGIBLE ASSETS	08	5,656,905.00	4,931,296.00
(B) NON CURRENT INVESTMENTS	09	146,752,443.88	182,353,314.43
(C) LONG TERM LOANS AND ADVANCES	10	95,000,000.00	-
<b>(2) CURRENT ASSETS</b>			
(A) INVENTORIES	11	46,626,822.00	83,126,966.00
(B) TRADE RECEIVABLES	12	-	958,992.34
(C) CASH AND BANK BALANCES	13	16,430,324.79	8,328,949.74
(D) SHORT TERM LOANS AND ADVANCES	14	517,821,450.00	549,356,905.53
(E) OTHER CURRENT ASSETS	15	5,140,098.85	1,961,979.85
<b>TOTAL</b>		<b>833,428,044.52</b>	<b>831,018,403.89</b>
SIGNIFICANT ACCOUNTING POLICIES	01		

The note Nos. 1 to 22 are indicated part of these financial statements

For &amp; on behalf of the Board

As per our report of even date attached  
For **R.MAHAJAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 011348N

(Rohit Gupta)  
**Managing Director  
& CFO**

(Ashok K. Kathuria)  
**Director**

(RATNESH MAHAJAN)  
Partner  
M. No. 085484  
Place: New Delhi  
Date: 29.05.2014

(Akash Gupta)  
**Company Secretary  
& Manager (Legal)**

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

(Amount in Rs.)

PARTICULARS	NOTE	AS AT 31st March 2014	AS AT 31st March 2013
I. REVENUE FROM OPERATIONS	16	1,129,624,916.84	1,057,887,286.05
II. OTHER INCOME	17	21,459,365.75	6,936,865.28
III. TOTAL REVENUE		1,151,084,282.59	1,064,824,151.33
IV. EXPENSES:			
PURCHASE OF STOCK-IN-TRADE		990,241,796.41	993,232,216.97
CHANGES IN INVENTORIES	18	36,500,144.00	(13,680,589.00)
EMPLOYEE BENEFIT EXPENSES	19	5,380,408.38	5,254,466.00
FINANCE COSTS	20	10,652,478.68	12,327,289.25
DEPRECIATION		727,197.00	761,095.13
OTHER EXPENSES	21	7,703,855.14	7,316,778.03
<b>TOTAL EXPENSES</b>		<b>1,051,205,879.61</b>	<b>1,005,211,256.38</b>
V. PROFIT BEFORE TAX (III-IV)		99,878,402.98	59,612,894.95
VI. TAX EXPENSE:			
(1) CURRENT TAX		26,315,453.70	17,759,153.89
(2) DEFERRED TAX		65,225.00	(221,248.00)
(3) FOR EARLIER YEARS		1,472,085.00	31,000.00
<b>PROFIT(LOSS) FOR THE PERIOD(V-VI)</b>		<b>72,025,639.28</b>	<b>42,043,989.06</b>
VII. EARNINGS PER EQUITY SHARE			
(1) BASIC		15.47	9.65
(2) DILUTED		15.47	8.98
SIGNIFICANT ACCOUNTING POLICIES	01		

The note Nos. 1 to 22 are indicated part of these financial statements

For & on behalf of the Board

As per our report of even date attached  
For **R.MAHAJAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 011348N

(Rohit Gupta)  
Managing Director  
& CFO

(Ashok K. Kathuria)  
Director

(RATNESH MAHAJAN)  
Partner  
M. No. 085484  
Place: New Delhi  
Date: 29.05.2014

(Akash Gupta)  
Company Secretary  
& Manager (Legal)

**NOTES TO ACCOUNTS****NOTE - 1****SIGNIFICANT ACCOUNTING POLICIES****a) System of Accounting :**

- i) The books of accounts are maintained on mercantile basis except where otherwise stated.
- ii) The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India and as per the relevant representational requirements of the Companies Act, 1956.
- iii) Accounting policies not specifically referred to are consistent with generally accepted accounting practices, except where otherwise stated.

**b) Revenue Recognition:**

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Interest income is recognized on time proportion basis.
- iii) Dividend income is recognized when right to receive is established.
- iv) Profit / Loss on sale of investments is accounted on the trade dates.

**c) Valuation of Investment:**

Investments are classified into non current investments and current investments. Non current investments are stated at cost and provision wherever required, made to recognize any decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value and provision wherever required, made to recognize any decline in carrying value.

**d) Fixed Assets & intangible assets:**

Fixed Assets are stated in books at historical cost inclusive of all incidental expenses.

Cost comprises the purchase price and any attributable cost of bringing the assets to working condition for its intended use. Intangible assets are recorded at the consideration paid for acquisition of such assets.

**e) Depreciation & Amortization:**

Depreciation on the fixed assets has been provided on SLM basis at the rates prescribed by schedule XIV of the Companies Act, 1956. Depreciation for assets purchased/sold during the year is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on SLM basis.

**f) Retirement Benefits:**

- i) Leave encashment benefits are charged to Profit & Loss Account in each year on the basis of actual payment made to employee. There are no rules for carried forward leave.
- ii) No provision has been made for the retirement benefits payable to the employees since no employee has yet put in the qualifying period of service & the liability for the same will be provided when it becomes due.

**g) Inventories**

Inventories are valued at cost (using FIFO method ) or net realizable value, whichever is lower.

**h) Impairment of Assets:**

The carrying amounts of assets are reviewed at the balance sheet date to determine whether there are any indications of impairment. If the carrying amount of the fixed assets exceeds the recoverable amount at the reporting, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use, the value in use determined by the present value estimated future cash flows. Here carrying amounts of fixed assets are equal to recoverable amounts.

**i) Earning Per Share**

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

**j) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for:

- i) Possible obligations which will be confirmed by future events not wholly within the control of the company, or
- ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**k) Accounting for Taxes on Income**

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized subject to the consideration of prudence on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

**NOTES TO ACCOUNTS****(Amount in Rs.)**

PARTICULARS	AS AT 31st March 2014	AS AT 31st March 2013
<b>NOTE-2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
7000000 Equity Shares of Par Value Rs.10/- each (Pr. Yr 7000000 Equity Shares of Par Value Rs.10/- each)	70,000,000.00	70,000,000.00
<b>ISSUED SUBSCRIBED AND PAID UP</b>		
46,82,207 Equity Shares of Rs.10/- each fully paid up (Pr. Yr 43,57,207 Equity Shares of Rs.10/- each fully paid up)	46,822,070.00	43,572,070.00
	<b>46,822,070.00</b>	<b>43,572,070.00</b>
<b>SHARE RECONCILIATION STATEMENT</b>	AS AT 31.03.2014	AS AT 31.03.2013
<b>PARTICULARS</b>	<b>EQUITY</b>	<b>EQUITY</b>
Shares outstanding at the beginning of the year	4,357,207	3,682,207
Shares Issued during the year	325,000	675,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,682,207	4,357,207

3433363 Equity Shares (Previous year 3108363) are held by CSL Holdings Pvt. Ltd (formerly Mundra Credit And Investment Pvt. Ltd.), the holding company.

**DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL**

Shareholder	AS AT 31.03.2014 No. of shares	AS AT 31.03.2013 No. of shares	AS AT 31.03.2014 Percentage	AS AT 31.03.2013 Percentage
CSL Holdings Pvt. Ltd. (formerly Mundra Credit And Investment Pvt. Ltd.)	3,433,363	3,108,363	73.32%	71.34%

**Year (Aggregate No. of Shares)**

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	621,593	-

**NOTES TO ACCOUNTS**
**(Amount in Rs.)**

PARTICULARS	AS AT 31st March 2014	AS AT 31st March 2013
<b>NOTE-3</b>		
<b>RESERVE &amp; SURPLUS</b>		
<b>General Reserve</b>		
As per last balance sheet	400,000.00	400,000.00
	<b>400,000.00</b>	<b>400,000.00</b>
<b>Statutory Reserve U/S 45 IC of Reserve Bank of India Act,1934</b>		
As per last balance sheet	83,921,360.00	83,921,360.00
Add : Transferred from Profit & Loss account	14,405,128.00	-
	<b>98,326,488.00</b>	<b>83,921,360.00</b>
<b>Capital Redemption Reserve</b>		
As per last balance sheet	6,215,930.00	6,215,930.00
	<b>6,215,930.00</b>	<b>6,215,930.00</b>
<b>Share Premium</b>		
As per last balance sheet	34,125,000.00	10,500,000.00
Add : On issue of shares	11,375,000.00	23,625,000.00
	<b>45,500,000.00</b>	<b>34,125,000.00</b>
<b>Profit &amp; Loss account:</b>		
As per last balance sheet	518,538,890.18	476,494,901.12
Add : Profit of Current Year	72,025,639.28	42,043,989.06
Less : Appropriations	-	-
Statutory Reserve U/S 45 IC of Reserve Bank of India Act,1934	14,405,128.00	-
	576,159,401.46	518,538,890.18
<b>Total</b>	<b>726,601,819.46</b>	<b>643,201,180.18</b>
<b>NOTE-4</b>		
<b>LONG TERM BORROWINGS SECURED</b>		
STATE BANK OF INDIA (Ag. Hypothecation of Car)	1,059,705.00	-
ICICI BANK LTD. (Ag. Hypothecation of Car)	1,139,627.60	2,269,292.70
Less : Current Maturities of Long Term Debt	1,348,905.60	1,129,665.10
	<b>850,427.00</b>	<b>1,139,627.60</b>
<b>NOTE-5</b>		
<b>SHORT TERM BORROWINGS SECURED</b>		
JM Financial Products Ltd (Ag. Pledge of Securities)	-	68,161,077.89
<b>SHORT TERM BORROWINGS UNSECURED</b>		
Loan from Related Parties Bodies Corporate	34,269,827.00	16,043,459.00
Loan from Bodies Corporate	8,203,917.00	37,771,289.00
	<b>42,473,744.00</b>	<b>121,975,825.89</b>

## NOTES TO ACCOUNTS

(Amount in Rs.)

PARTICULARS	AS AT		
	31st March 2014	31st March 2013	
<b>NOTE-6</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Current Maturities of Long Term Debt	1,348,905.60	1,129,665.10	
Other Liabilities	10,541,988.46	5,765,244.12	
	<b>11,890,894.06</b>	<b>6,894,909.22</b>	
<b>NOTE-7</b>			
<b>SHORT TERM PROVISIONS</b>			
Provision for Standard Assets	1,531,935.00	1,373,261.00	
Provision for Income Tax (Net of Advance Tax & TDS)	3,092,560.00	537,160.00	
	<b>4,624,495.00</b>	<b>1,910,421.00</b>	
<b>NOTE-9</b>			
<b>NON CURRENT INVESTMENTS</b>			
OTHER INVESTMENTS			
INVESTMENT IN EQUITY SHARES			
	No. of Shares as on 31.03.2014	No. of Shares as on 31.03.2013	
<b>QUOTED</b>			
APL APOLLO TUBES LTD. (F. Value Rs 10 each)	541266	457886	84,840,333.83
SAMRAT FORGINGS LTD. (F. Value Rs 10 each)	1107600	1107600	15,373,964.00
ANG INDUSTRIES LTD (F. Value Rs 10 each)	444470	0	3,170,704.05
<b>UNQUOTED</b>			
CSL REALTORS PVT. LTD.	9800	9800	98,300.00
<b>INVESTMENT IN LLP</b>			
RELIANCE INDIA REALTY OPPORTUNITIES LLP			3,000,000.00
<b>INVESTMENT IN BONDS</b>			
IIFCL TAX FREE BONDS			4,016,000.00
<b>INVESTMENT IN JOINT VENTURE</b>			
			-
<b>INVESTMENT IN PROPERTY</b>			
Investment in Property			36,253,142.00
			<b>146,752,443.88</b>
			<b>182,353,314.43</b>



**NOTE-8  
FIXED ASSETS-TANGIBLE**

(Amount in RS.)

PARTICULARS (ASSETS)	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.04.2013	ADDITION	SALE/ TRANSFER	TOTAL AS ON 31.03.2014	AS ON 01.04.2013	DURING THE YEAR	SALE ADJUSTMENT	TOTAL AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013	
Fur. & Fixture	419383.39			419383.39	357061.39	26547.00		383608.39	35775.00	62322.00	
Car	4451571.00	1436477.00		5888048.00	425089.00	536558.00		961647.00	4926401.00	4026482.00	
Scooter	153301.00		51550.00	101751.00	37602.00	12618.00	28380.00	21840.00	79911.00	115699.00	
Mobile	77270.00			77270.00	14156.00	3670.00		17826.00	59444.00	63114.00	
Office Equipment	266509.00	35900.00		302409.00	205003.00	13264.00		218267.00	84142.00	61506.00	
LCD Television	139500.00			139500.00	33384.00	6626.00		40010.00	99490.00	106116.00	
Airconditioner	187490.62			187490.62	20355.62	8906.00		29261.62	158229.00	167135.00	
Computer	712415.00	3599.00		716014.00	431601.00	116009.00		547610.00	168404.00	280814.00	
Photocopy Machine	40740.00			40740.00	9569.00	1935.00		11504.00	29236.00	31171.00	
Inverter	22400.00			22400.00	5463.00	1064.00		6527.00	15873.00	16937.00	
<b>TOTAL RS.</b>	<b>6470580.01</b>	<b>1475976.00</b>	<b>51550.00</b>	<b>7895006.01</b>	<b>1539284.01</b>	<b>727197.00</b>	<b>28380.00</b>	<b>2238101.01</b>	<b>5656905.00</b>	<b>4931296.00</b>	
Previous Year	9093386.88	282606.13	2905413.00	6470580.01	1832652.88	761095.13	1054464.00	1539284.01	4931296.00	7260734.00	

**NOTES TO ACCOUNTS****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31st March 2014</b>	<b>AS AT 31st March 2013</b>
Aggregate value of Quoted Investment	103,385,001.88	91,923,015.43
Aggregate market value of Quoted Investment	110,100,910.60	76,192,230.00
Aggregate value of Unquoted Investment	98,300.00	98,300.00
(Market value of investment in shares of Samrat Forgings Ltd. is not ascertainable since it has not been traded during the year)		
Investment in property includes Rs. 33067142/- (Pr. Year Rs. 45645999/-) paid to builders for purchase of properties. The full payment has already been made as per the Seller/Buyer agreement executed with the builders but the sale deed is yet to be executed.		
<b>NOTE-10 LONG TERM LOANS &amp; ADVANCES</b>		
Advance for Purchase of Property (Unsecured considered good by the management)	95,000,000.00	-
	<b>95,000,000.00</b>	<b>-</b>
<b>NOTE - 11 INVENTORIES</b>		
Stock in Trade (As taken valued & certified by the management)	46,626,822.00	83,126,966.00
	<b>46,626,822.00</b>	<b>83,126,966.00</b>
<b>NOTE-12 TRADE RECEIVABLES</b>		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Others Trade Receivables	-	958,992.34
	<b>-</b>	<b>958,992.34</b>
<b>NOTE-13 CASH &amp; BANK BALANCES CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	4,781.12	22,270.50
Balance with Banks	16,425,543.67	8,306,679.24
	<b>16,430,324.79</b>	<b>8,328,949.74</b>
<b>NOTE-14 SHORT TERM LOANS &amp; ADVANCES</b>		
Secured Loans	517,774,000.00	514,000,000.00
Loans (Unsecured considered good)	-	35,304,455.53
Staff Advance	47,450.00	52,450.00
	<b>517,821,450.00</b>	<b>549,356,905.53</b>

## NOTES TO ACCOUNTS

(Amount in Rs.)

PARTICULARS	AS AT 31st March 2014	AS AT 31st March 2013
<b>NOTE-15</b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Interest Receivable	-	1,807,906.00
Prepaid Expenses	55,079.00	69,054.00
Margin with Broker	5,000,000.00	-
Income Tax refund	85,019.85	85,019.85
	<b>5,140,098.85</b>	<b>1,961,979.85</b>
<b>NOTE-16</b>		
<b><u>REVENUE FROM OPERATIONS</u></b>		
Sale of Shares	1,009,195,710.57	803,175,029.44
Sale of Commodity	-	132,648,794.54
Interest	107,008,727.00	112,811,726.29
Profit on sale of Investment (Long term)	1,859,719.43	-
Income From Share Trading /Derivative/Mutual Fund/Bonds	11,560,759.84	9,251,735.78
	<b>1,129,624,916.84</b>	<b>1,057,887,286.05</b>
<b>NOTE-17</b>		
<b><u>OTHER INCOMES</u></b>		
Profit from LLP	630,356.00	369,576.06
Dividend Income	19,127,941.75	6,539,776.22
Profit on sale of Property	1,635,000.00	-
Misc. Income	66,068.00	27,513.00
	<b>21,459,365.75</b>	<b>6,936,865.28</b>
<b>NOTE-18</b>		
<b><u>CHANGE IN INVENTORIES</u></b>		
Opening Stock	83,126,966.00	69,446,377.00
Less: Closing Stock	46,626,822.00	83,126,966.00
	<b>36,500,144.00</b>	<b>(13,680,589.00)</b>
<b>NOTE-19</b>		
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary & Bonus	5,205,420.00	5,093,015.00
Staff Welfare	174,988.38	161,451.00
	<b>5,380,408.38</b>	<b>5,254,466.00</b>
<b>NOTE-20</b>		
<b><u>FINANCE COSTS</u></b>		
Bank Charges	1,753.94	605.62
Car Interest	279,893.90	304,099.32
Interest on Overdraft	-	932,304.51
Other Interest	10,370,830.84	11,090,279.80
	<b>10,652,478.68</b>	<b>12,327,289.25</b>

## NOTES TO ACCOUNTS

(Amount in Rs.)

PARTICULARS	AS AT 31st March 2014	AS AT 31st March 2013
<b>NOTE-21</b>		
<b><u>OTHER EXPENSES</u></b>		
Annual Custody Charges	13,482.00	13,482.00
Annual Listing Fees	44,383.00	43,259.00
Auditor's Remuneration	224,720.00	224,720.00
Books & Periodicals	6,093.00	6,293.00
Business Promotion	537,134.48	258,207.03
Commodities Expenses	-	143,127.06
Courier Charges	14,304.00	32,637.23
Demat Expenses	10,675.51	81,319.25
Donation	-	11,000.00
EDP Expenses	90,050.00	305,667.00
Electricity Expenses	281,325.00	335,728.00
Festival Expenses	232,471.00	90,355.47
Filing Fees	4,580.00	6,000.00
Generator Repair & Maintenance	23,988.00	28,417.02
Insurance Expenses	70,936.00	842.00
Legal & Professional Charges	2,131,654.00	737,102.47
Loss on Sale of Assets	10,470.00	773,949.00
Meeting & Conference Exp.	13,160.00	31,225.00
Misc. Expenses	54,981.61	63,067.70
Office Expenses	130,790.00	166,766.00
Postage, Telegram Expenses	51,577.20	29,077.63
Printing & Stationery	64,672.80	50,946.09
Processing Fees	152,896.00	-
Provision for Standard Assets	158,674.00	366,971.00
Publishing Expenses	155,345.00	249,984.00
Rebate on Interest	533,333.00	-
Rent	1,218,000.00	1,218,000.00
Repair & Maintenance (Others)	64,504.24	98,900.00
Security Transaction Tax	682,975.00	912,628.00
Sitting Fee	50,000.00	50,000.00
TDS Demand	-	7,880.00
Telephone Expenses	171,743.00	173,440.37
Travelling & Conveyance	291,468.83	153,475.50
Vehicle Running Expenses	213,468.47	155,677.60
Warehouse Charges	-	496,633.61
	<b>7,703,855.14</b>	<b>7,316,778.03</b>

**NOTE-22**
**a. A) Contingent Liabilities:**

1. Claims against the company not acknowledged as debts Nil Previous Year Nil
2. Guarantees to Banks and Financial institutions against credit facilities extended to third parties Nil Previous Year Nil
3. Other money for which the company is contingently liable
  - a) Income Tax liability for Assessment year 2006-07 and 2007-08 is Rs. 595782/- and Rs. 1089849/- respectively Previous Year Rs. 1089849/- for assessment year 2007-08
  - b) The Income tax assessment for the Assessment year 2008-09 & 2009-10 has been set aside by the Income Tax Appellate Tribunal and liability if any accrues, the same will be known only after completion of the assessment.
  - c) The company has entered into loan agreement with various parties and in case of certain agreements as per terms of agreement company will give interest rebate to certain party/parties in case interest/principal payment is regular. Liability, if any, on this account is known only on completion of agreement.

**B) Commitments :**

- i) Uncalled liability on partly paid up shares- Nil Previous Year (Nil)
  - ii) Estimated amount of contracts remaining to be executed on capital accounts- NIL. Previous Year (Nil)
  - iii) Other Commitments Nil Previous Year Nil
- b. In the opinion of Board of Directors & best of their knowledge & belief the provisions of all known liabilities are adequate.
- c. In the opinion of Board of directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- d. CIF value of Imports: NIL Previous Year (Nil),
- e. Earning & Expenditure in Foreign Currency: NIL Previous Year (Nil),
- f. The activities of the company do not involve conservation of energy or absorption of technology.
- g. Payments to Auditor's includes:

	<b>2013-14</b>	<b>2012-13</b>
Audit Fee	179,776.00	179,776.00
Tax Audit Fees	44,944.00	44,944.00
	<hr/>	<hr/>
	224,720.00	224,720.00
	<hr/>	<hr/>
	<b>2013-14</b>	<b>2012-13</b>

- h. Director's remuneration: Rs. 30,00,000.00 Rs. 30,00,000.00
- i. Company is dealing in shares. So the closing stock of shares has been shown as Stock-in-Trade but some shares purchased during the year by the company for earning income by way of dividends and for long term purposes

being strategic/ large investments are shown under investments and accordingly income from these investments have been shown as short term / long term profit.

- j. Deferred Tax Liabilities/Assets have been provided in accordance with AS-22. The break up of the deferred tax assets & liabilities are as under :

Nature of Timing Difference	Deferred Tax Assets / (Liabilities) as at 01st April, 2013.	Adjustment for the Current Year	Deferred Tax Assets / (Liabilities) as at 31st March, 2014.
Depreciation	(99370)	(65225)	(164595)
Business Loss	Nil	Nil	Nil
<b>Total</b>	<b>(99370)</b>	<b>(65225)</b>	<b>(164595)</b>

- k. As per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as below:

S. No.	Particulars	Current year 2014	Previous Year 2013
1	Net Profit (loss) as per P/L A/c	72025639	42043989
2	Average No. of equity shares used as denominator for calculating EPS (Basic)	4655124	4357207
3	EPS (Basic) (Rs.)	15.47	9.65
4	Average No. of equity shares used as denominator for calculating EPS (Diluted)	4655124	4682207
5	EPS (Diluted) (Rs.)	15.47	8.98
6	Face value of each equity share (Rs.)	10	10

#### I. Related Party Disclosure:

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

- (A) Name of related parties and description of relationship:

- (1) Holding Company:
  - a) CSL Holdings Private Limited
- (2) Other related parties where the Directors/Relatives have significant influence
  - a) CSL Capital Private Limited
  - b) CSL Realtors Private Limited
- (3) Key Management Personnel:
  - a) Mr. Rohit Gupta
- (4) Relatives of Key Management Personnel:
  - a) Mrs. Ridhima Gupta

- (B) Transaction during the year and balances outstanding at the year end in respect of transactions entered into during the year with the related parties.

Nature of transactions	Refer to (A)(1)	Refer to (A)(2)	Refer to (A)(3)	Refer to (A)(4)
Unsecured Loan Taken	Nil (5500000)	82900000 (54300000)		
Unsecured Loan Given	68600000	68600000 (Nil)		
Investment in Shares	Nil	NIL (98300)		
Allotment of Shares	14625000 (30375000)			
Rent			600000 (600000)	600000 (600000)
Director's Remuneration			3000000 (3000000)	
Interest Paid	Nil (332712)	1409249 (2048909)		
Balances as on 31st March,2014	Nil	Refer to (A) 2(a) 34269827 Cr. Refer to (A) 2(b)- Nil		

( ) Indicates figures of Previous year.

- m). As per information available with the company, no amount is due to any Undertaking/Enterprise covered under the Micro, Small and Medium Enterprise Development Act, 2006.
- n). Since the Company is dealing in one segment, no separate Segment reporting is given.
- o). Information regarding Purchase and Sale of Stock in trade during the year:

	Purchase (Rs.)	Sale (Rs.)
Shares	990241796.41	1009195710.57

- p). The figures of the previous years have been regrouped and rearranged wherever it is considered necessary.

**For & on behalf of the Board**

As per our report of even date attached  
For **R.MAHAJAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 011348N

(Rohit Gupta)  
**Managing Director  
& CFO**

(Ashok K. Kathuria)  
**Director**

(RATNESH MAHAJAN)  
Partner  
M. No. 085484

Place: New Delhi  
Date: 29.05.2014

(Akash Gupta)  
**Company Secretary  
& Manager (Legal)**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in Rs.)

PARTICULARS	AS AT 31st March 2014	AS AT 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax & Extraordinary items	99,878,402.98	59,612,894.95
Adjustment for :		
Depreciation	727,197.00	761,095.13
Provision for Standard Assets	158,674.00	366,971.00
Loss on sale of assets	10,470.00	773,949.00
Interest Income	(14,384.00)	(843,153.49)
Interest Paid	10,650,724.74	12,326,683.63
Profit / Loss on sale of investment	<u>(3,494,719.43)</u>	<u>-</u>
Operating Profit before Working Capital changes	107,916,365.29	72,998,440.22
Adjustment for Current Assets & Loans & Advances		
1) Trade Receivables	958,992.34	6,534,307.05
2) Loans & Advances	(63,464,544.47)	(97,567,406.15)
3) Stock In Hand	36,500,144.00	(13,680,589.00)
4) Other Current Assets	(3,178,119.00)	2,065,393.00
Current Liabilities	4,995,984.84	4,697,607.07
Cash generated from operations	83,728,823.00	(24,952,247.81)
Direct Taxes Paid	25,232,138.70	17,104,253.89
	<b>58,496,684.30</b>	<b>(42,056,501.70)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loan & advances received back	-	-
Purchase of investments	-	(109,489,967.83)
Sale of investments	39,095,589.98	-
Sales of Fixed Assets	12,700.00	1,077,000.00
Fixed Deposit	-	49,999,990.00
Interest Income	14,384.00	843,153.49
Interest Accrued on Fixed Deposit	-	2,825,491.14
Purchase of Fixed Assets	(1,475,976.00)	(282,606.13)
	<b>37,646,697.98</b>	<b>(55,026,939.33)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	(79,502,081.89)	116,038,892.08
Long Term Borrowings	(289,200.60)	(982,879.40)
Interest Paid	(10,650,724.74)	(12,326,683.63)
Issue of equity shares	2,400,000.00	-
Shares warrant	-	<u>2,200,000.00</u>
Net Decrease in cash & cash equivalents	(88,042,007.23) 8,101,375.05	104,929,329.05 7,845,888.02
Cash & cash equivalents at the beginning of period		
Cash In Hand	22,270.50	12,942.50
Balance with Bank	8,306,679.24	470,119.22
Cash & cash equivalents at the end of period	<u>8,328,949.74</u>	<u>483,061.72</u>
Cash In Hand	4,781.12	22,270.50
Balance with Bank	16,425,543.67	8,306,679.24
Net (Outflow)/Inflow of Cash	<u>16,430,324.79</u> 8,101,375.05	<u>8,328,949.74</u> 7,845,888.02

For &amp; on behalf of the Board

As per our report of even date attached  
For **R. MAHAJAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 011348N

(Rohit Gupta)  
**Managing Director  
& CFO**

(Ashok K. Kathuria)  
**Director**

(RATNESH MAHAJAN)  
Partner  
M. No. 085484  
Place: New Delhi  
Date: 29.05.2014

(Akash Gupta)  
**Company Secretary  
& Manager (Legal)**





2.	Unquoted :		
	(i) Shares :	(a) Equity	Nil
		(b) Preference	Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others (Building)		Nil
	Long Term Investments:		
1.	Quoted:		
	(i) Shares :	(a) Equity	1033.85
		(b) Preference	Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of Mutual Funds		Nil
	(iv) Government Securities		Nil
	(v) Others-warrants		Nil
2.	Unquoted :		
	(i) Shares :	(a) Equity	0.98
		(b) Preference	Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others		
	Tax free Bonds		40.16
	LLP		30.00
	Property		362.53

**5 Borrower group-wise classification of assets financed as in (2) and (3) above :**  
Please see note 2 below

Category	Amount net of provisions		
	Secured	unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) companies in the same group	Nil	Nil	Nil
(c) other related parties	Nil	Nil	Nil
2. Other than related parties	5164.8	947.62	6112.42
<b>Total</b>	<b>5164.8</b>	<b>947.62</b>	<b>6112.42</b>

**6 Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**  
Please see note 3 below

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the Same Group	Nil	Nil
(c) Other related parties	0.98	0.98
2. Other than related parties	1,723.77	1,601.74
<b>Total</b>	<b>1,724.75</b>	<b>1,602.72</b>

\* Market rate is not available hence cost has been taken.

\*\* As per Accounting Standard of ICAI (Please see Note 3)

(7) Other information		
Particulars		Amount
(i) Gross Non-Performing Assets		Nil
(a) Related Parties		
(b) Other than related parties		
(ii) Net Non-Performing Assets		Nil
(a) Related Parties		
(b) Other than Related Parties		
(iii) Assets acquired in satisfaction of debt	Nil	Nil

**Note**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets required in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

---

**For & on behalf of the Board**

As per our report of even date attached  
For **R.MAHAJAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 011348N

(Rohit Gupta)  
**Managing Director  
& CFO**

(Ashok K. Kathuria)  
**Director**

(RATNESH MAHAJAN)  
Partner  
M. No. 085484  
Place: New Delhi  
Date: 29.05.2014

(Akash Gupta)  
**Company Secretary  
& Manager (Legal)**

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



# Consolidated Securities Ltd

Regd. Office : 8/19, 3rd Floor, W.E.A., Pusa Lane, Karol Bagh,  
New Delhi - 110 005

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

D.P. Id*	
Client Id*	

Folio No.	
No. of Shares	

Name and address of the shareholder \_\_\_\_\_

I/we hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company to 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-110 005

Signature of the shareholder(s) or Proxy \_\_\_\_\_

Name of the Proxy in Block Letters \_\_\_\_\_  
(In case a proxy attends the meeting)

\*Applicable for investors holding shares in dematerialized form.



# Consolidated Securities Ltd

Regd. Office : 8/19, 3rd Floor, W.E.A., Pusa Lane, Karol Bagh,  
New Delhi - 110 005

## PROXY FORM

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

D.P. Id*	
Client Id*	

Folio No.	
No. of Shares	

I/We \_\_\_\_\_ of \_\_\_\_\_

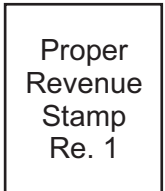
being a member/members of the Consolidated Securities Limited appoint Shri/Smt. \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him/her  
\_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to

vote for me/us on my/our behalf at the 22nd ANNUAL GENERAL MEETING of the Company to 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 and at any adjournment thereof.

Signatures \_\_\_\_\_

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2014



\*Applicable for investor holding shares in electronic form.



NOTE: The Proxy need not be a member. The Proxy form duly signed and stamped should reach the Company's Registered Office at least 48 hours before the time of meeting.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



FIND US ON



[www.savitarpress.com](http://www.savitarpress.com)

Designed & Printed at:

**SAVITAR PRESS**

[savitarpress@rediffmail.com](mailto:savitarpress@rediffmail.com)

Plot No. 820, Industrial Area, Phase II Chandigarh 160 002  
Ph.: +91 172 5075710, 4625710, 98140 10903, 97810 07064  
Visit us on : [www.savitarpress.com](http://www.savitarpress.com)



**CONSOLIDATED SECURITIES LIMITED**

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

Karol Bagh, New Delhi - 110 005

Ph. +91 11 42503441-44