

## Directors' Report

Dear Members,

Your Directors present the 32<sup>nd</sup> Annual Report and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2021.

### FINANCIAL RESULTS

The Financial performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 is summarized herein below:

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Total Revenue	569.23	413.67
Profit before Interest, Depreciation & Tax	109.85	16.28
Profit before Depreciation and Tax	109.85	16.28
Depreciation	8.97	10.75
Profit Before Tax	100.88	5.53
Less: Provision for Tax (Net)	25.41	4.03
Profit After Tax	75.47	1.50
Add: Balance brought forward from the last year	1251.26	1280.05
Profit available for Appropriation	1326.73	1281.55

The Company's Profit after Tax is Rs.75.47 Lakhs (Previous Year Rs.1.50 Lakhs). The Board recommends transfer of a sum of Rs.7.80 Lakhs (Previous Year Rs.0.15 Lakhs) to General Reserve.

### DIVIDEND

Your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2021 with a view to conserve the resources of the Company.

### MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements related and the date of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure & Developments

The Company is a Corporate Member of the National Stock Exchange of India Limited (NSE) in the Capital Market, Future & Option and Currency Derivative Segments and the Bombay Stock Exchange (BSE) in the Capital Market Segment and the Company is a DP on CDSL and DR on CDSL and NSDL besides Registrars, Transfer Agent and a Merchant Banker.

The Company follows all the rules and regulations of the respective exchange for depository/SEBI.

## Opportunities and Threats

The Company being a player in the financial market, the performance of the Company largely depends on the National and Global Capital Markets. The High volatility in the market along with higher inflation has intensified the competition. Your Company continues to achieve cost effectiveness through the application of technology. We have been fashioning our own responses to these challenges and we believe that we can turn them into opportunities, which can unlock growth for us in the future.

### Opportunities

- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation by all the class of investors
- Leverage technology to enable best practices and process.

### Threats

- Execution Risk
- Slowdown in global liquidity flows
- Intense competition from local and global players.
- Unfavorable Economic Conditions

### Macro-economic and Industry developments

The Stock Market has been revolutionized by adopting modern technology, as the exchanges are now able to reach out to the far flung centers of the country with an efficient trading network for the benefit of retail customers. The Capital Market is most efficient when it discounts all information's in pricing of traded equity stocks. The maturity of the Stock Market has made it increasingly less risky through built-in information system made available to the participants over and above supervisory oversight. The ongoing efforts for further broadening and deepening of the Stock Market domestically and aligning the market with global trading system is not only expanding the customer base but also attracting more resources for investments.

The Indian broking industry is one of the oldest trading industries that have been around even before the establishment of the BSE in 1875. Despite passing through a number of changes in the post liberalization period, the industry has found its way towards sustainable growth. The financial markets have been classified as cash market, derivatives market, debt market and commodities market. The sustained growth of the economy in the past couple of years has resulted in offering many diversified services related to IPOs, mutual funds, Company research etc. However, the core trading activity is still the predominant form of business, forming 90% of the trading volume.

The fragmented nature of the industry, coupled with increasing competition from large players in the retail and institutional broking side is likely to exert pressure on broking houses, hence the ability to maintain market share, margins and consequently, return ratios stands as a big question mark. Moreover, declining market turnover due to dwindling retail and institutional investor participation, significant correction in stock prices, dismal investment banking outlook and a worsening macroeconomic scenario do not bode well for brokerage firms.

**Challenges, Risk, Concern**

The Company faces normal business challenges of market competition in its business and needs to continuously seek attractive growth opportunities. The Company adopts suitable business strategies to counter these challenges.

As a part of the overall risk management strategy, the Company consistently insures its assets and generally follows a conservative financial profile by following prudent business practices.

**Segment Wise or Product Wise Performance**

The Company carries on Stock Broking which is its core activity, besides undertaking other Capital Market activities. The segment wise performance of the Company is as under:

(Rs. in Lakhs)

SEGMENT	GROSS INCOME	
	31.3.2021	31.3.2020
Securities Dealings & Broking	509.81	355.61
Merchant Banking	6.80	7.65
Registrar & Share	33.82	36.75
Transfer Agent		
Demat & Depository	16.24	10.28
Consultancy Fee	2.19	2.43

**The key financial ratios are as under:**

(Rs. in Lakhs)

Particulars	Financial Year	Financial Year
	2020-2021	2019-2020
Debtors Turnover Ratios	0.45 times	0.56 times
Inventory Turnover Ratio	0	0
Interest Coverage Ratio	0	0
Current Ratio	2.12 times	3.05 times
Debt Equity Ratio	0	0
Operating Profit Margin (%)	3.07	-17.09
Net Profit Margin (%)	13.27	0.36
Return on Net Worth (%)	3.50	0.07

**Internal Control System and their adequacy**

The Company has a proper and adequate internal control system commensurate with its size and nature of business to meet the following objectives:

Providing assurance regarding the effectiveness and efficiency of operations;

Efficient use and safeguarding of resources;

Compliance with policies, procedures and applicable laws and regulations; and

These systems are IT enabled which facilitate effective checks and tight monitoring of all parameters and control on continuous basis.

The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them from time to time.

Risk assessment reports received from various departments are reviewed periodically and steps are initiated for elimination whenever needed.

**Human Resource Development**

The Company has a group of able and experienced employees. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees and provides personal development opportunities for all round exposure to them. As on 31<sup>st</sup> March 2021, Company had 25 employees.

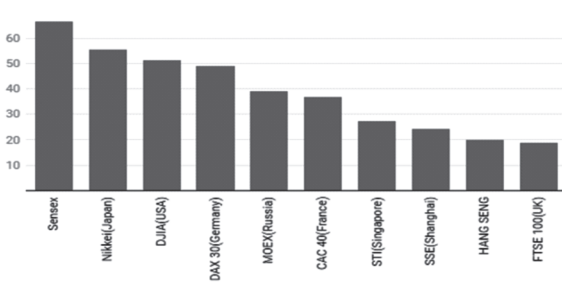
**Market Review for FY 2020 – 21**

The growth in India's real GDP during the year 2020-21 is estimated at -8% as compared to the growth rate of 4% in 2019-20 (as per government figures). The contraction in the GDP is largely on account of the 68-day long complete Nationwide lockdown which was imposed to prevent the spread of Covid-19, and continuing restrictions on recreational and other activities for the rest of the year. The impact of coronavirus pandemic on India has been largely disruptive in terms of economic activity as well as a loss of human lives. Almost all the sectors have been affected as domestic demand and exports sharply plummeted with some notable exceptions where high growth was observed. Where Agriculture and IT Sector were the least impacted by the pandemic, service sector mainly Hospitality and Tourism industry were impacted the most.

As for the stock markets the year 2020-21 was full of ups and downs. Our market witnessed a sharp recovery from its March lows. A comparison of BSE Sensex with 10 major world indices shows that it has been the best performing market in the current financial year (based on data as on Mar'21). On a year-on-year basis, the rise seen in Sensex during FY20-21 is the highest in the past decade and sixth best since the index's inception (1980).

**Yearly increase in major world indices in FY 2021**

Figures in %



Indices data till 29 march

**Reasons for a V-shaped recovery in our Stock Market**

Monetary Easing and Fiscal Stimulus measures taken by Central banks around the world, through Bond buying and Repo Operations and direct money infusion into the banks to support the economy, increase economic activity and to ensure sufficient liquidity is maintained in the banking system has also led to a sharp fall in Interest Rates.

Due to low prevalent saving interest rates, the retail investors were forced to look for riskier assets like equities to earn more returns. This facilitated larger participation from domestic retail investors as new demat accounts, a good proxy for individuals trading in stock markets, grew by around 115% till January, the highest in the past decade. Low Interest rates are good for businesses as it leads savings on account of lower interest payments, and presents an attractive opportunity for the businesses to borrow more to invest in the expansion activities.

Indian equity markets also saw the highest foreign investment in its history (Rs. 2,74,108 crore till March 30) during 2020-21 which had a positive impact on our markets.

Various schemes announced by the government to promote manufacturing like Atmanirbhar Bharat and Production Linked Incentive scheme led to capacity additions and increased domestic production and exports.

**Outlook for FY 2021-22**

On the stock market front, out of 39 companies among the top 50 companies that have declared its fourth quarter results till now, 30 companies have reported increase in profitability quarter on quarter which is encouraging.

Commodity Upstream companies in general and Metals and Mining Sector in specific is expected to perform good during this Financial Year due to global increase in commodity prices whereas the margins of downstream companies like Auto Sector's margins are expected to be under pressure. Covid second wave lockdowns and increased crude oil prices can further weigh on their demand and profitability. Sugar, Fertilizer and Chemicals are the sectors which have performed really well in FY 2020-21 and expected to perform well for few more quarters.

On the rural front the demand remains strong and is expected to remain strong this year. Due to this the FMCG, Tractor, and other Agri related businesses are expected to show good growth momentum during the year.

On the valuations front Nifty50 is currently trading 29.48 times Price to Earnings and at 4.34 times Price to Book which are on the higher side compared to its 5-Year average.

**COVID Second Wave**

As per the Finance Ministry, in its monthly economic report for the month of April the second wave of COVID-19 has posed a downside risk to economic activity in the first quarter of FY 2021-22. However, there are reasons to expect a muted economic impact as compared to the first wave.

The Union Budget 2021-22, presented on February 1, forecasted a nominal GDP growth of 14.4 percent for 2021-22 but now due to the second wave of the virus a number of independent economists, agencies and banks have cut real GDP forecasts for the current fiscal year. On May 5th, global ratings agency Standard & Poor's cut its 2021-22 GDP forecast for India to 9.8 percent from 11 percent. The International Monetary Fund has said it will revisit its 12.5 percent GDP growth forecast for the year. As per Barclays, if mobility restrictions remain in place until the end of August, this could point to another 120bp of downside to annual real GDP growth, dragging FY 2021-22 growth to 8.8%.

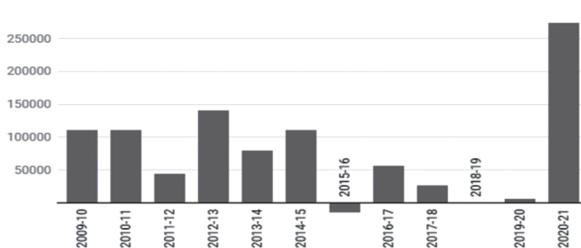
Going forward the availability of vaccines and re-opening of the economy will be very significant to get the economy back on track. The second wave now also warrants a fresh round of stimulus/ economic package to be announced by the government to accelerate the revival process.

**SHARE CAPITAL**

During the Financial Year 2020-21, the Share Capital of the Company has remained unchanged.

**Yearly FPI investment in equity**

(in crore rupees)



FPI data till March 30

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31<sup>st</sup> March 2021 is available on the Company's website on [www.cilsecurities.com](http://www.cilsecurities.com).

## NUMBER OF BOARD MEETINGS

Four Board Meetings were held during the Financial Year 2020-21 which are as follows:

20.06.2020, 14.08.2020, 12.11.2020 and 13.02.2021.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. Govind Toshniwal resigned as the Company Secretary & Compliance Officer of the Company effective 13<sup>th</sup> February 2021. The Board places on record its appreciation for his valuable contribution during his tenure with the Company.

The Board at its Meeting held on 13<sup>th</sup> February 2021 appointed Mrs. Trishila Agrahari as the Company Secretary & Compliance Officer of the Company.

During the year under review, there is no change in the composition of the Board.

## POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

### Policy on Directors Appointment

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

### A) Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2020-21 are as follows:

S.No	Name of the Director(s)	Remuneration Paid in the FY 2020-21 in Rs.	Ratio / Times per Median of employee remuneration
1	Mr. Krishna Kumar Maheshwari	13,89,536	3.63
2	Mr. Piyush Modi	6,00,000	1.57
3	Mr. Ashok Kumar Inani	14,53,713	3.80

The aforesaid details are calculated on the basis of remuneration for the financial year 2020-21.

Median remuneration of the Company for all its employees is Rs 3,83,224/- for the Financial Year 2020-21.

## Policy on Remuneration

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

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

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

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

## DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

## REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL

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

**B) Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2020-21 are as follows:**

Name	Designation	Remuneration in Rs.		Increase %
		2020-21	2019-20	
Mr. Krishna Kumar Maheshwari	Managing Director	13,89,536	13,74,462	1.10
Mr. Piyush Modi	Executive Director	6,00,000	6,00,000	0.00
Mr. Ashok Kumar Inani	Director Finance/ CFO	14,53,713	14,05,837	3.41
Mr. Govind Toshniwal	Erstwhile Company Secretary	7,76,188	7,26,743	6.80
Mrs. Trishila Agrahari	Company Secretary	94,500	-	NA

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

**C) Percentage increase in the median remuneration of all employees in the financial year 2020-21:**  
(Amount in Rupees)

Particulars	2020-21	2019-20	Increase / (decrease)%
Median remuneration of all employees per annum	3,83,224	3,57,289	7.26

**D) Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 are 25.**

**E) Comparison of average percentage increase in salary of employees other than the Key Managerial Personnel and the percentage increase in the Key Managerial Remuneration:**

(Amount in Rupees)

Particulars	2020-21	2019-20	Increase/(Decrease)%
Average Salary of all the Employees (Other than KMP)	3,89,881	3,05,695	27.54
<b>Salary of Key Managerial Personnel</b>			
Managing Director	13,89,536	13,74,462	1.10
Executive Director	6,00,000	6,00,000	0.00
Director Finance / CFO	14,53,713	14,05,837	3.41
Company Secretary	7,76,188	7,26,743	6.80

\* The Remuneration of Company Secretary shown above only includes salary of Mr. Govind Toshniwal as Ms. Trishila Agrahari joined as Company Secretary on 13<sup>th</sup> Feb. 2021.

The increase in remunerations of employees other than the Managerial Personnel is in line with increase in remuneration of Managerial Personnel.

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

**AUDITOR'S REPORT**

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

**G) Affirmation:**

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

**STATUTORY AUDITORS**

**M/s. Sridhar Jhavar & Associates**, Statutory Auditors of the Company hold office until the conclusion of 33rd Annual General Meeting.



The Members in their Annual General Meeting held on 28.09.2017, have appointed M/s Sridhar Jhawar & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office for a period of 5 years until the conclusion of the Annual General Meeting to be held in the calendar year 2022. Ratification of their appointment by the members in every Annual General Meeting (AGM) is done away by Companies Amendment Act, 2017. Hence, no resolution to this effect is proposed in the Notice calling AGM.

**INTERNAL AUDITOR**

M/s. Niranjana & Narayan, Chartered Accountants, Hyderabad are the Internal Auditors of the Company.

**SECRETARIAL AUDIT REPORT**

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

**WHISTLE BLOWER / VIGIL MECHANISM POLICY**

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

**RELATED PARTY TRANSACTIONS**

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

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

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

The Company has not given loans, guarantee or provided securities. However, a particular of investments made is provided in Notes to Financial Statements in Note no. 2 and 4.

**LISTING ARRANGEMENTS**

The Company's shares are listed on BSE LIMITED.

The Company has paid up to date Annual Listing Fee of the Stock Exchange.

**PUBLIC DEPOSITS**

During the financial year 2020-21, the Company has not accepted any Public Deposits.

**INTERNAL COMPLAINTS COMMITTEE**

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

The Company has not received any complaints.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

**INSURANCE**

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

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, INFORMATION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013**

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

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

During the financial year 2020-21, the Company does not have any Foreign Exchange earnings /outgo.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE GOVERNANCE

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

## DEPOSITORY SYSTEM

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

As on 4th June 2021, a total of 49,24,164 Equity shares of the Company, which forms 98.49% of the Share Capital of the Company, stands dematerialized.

## DEVELOPMENT AND IMPLEMENTAION OF RISK MANAGEMENT POLICY

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

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of the provisions of the Companies Act, 2013, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the date of declaration to the credit of the Investor Education and Protection Fund established by the Central Government.

Accordingly, the Members are hereby informed that the 7 Years period for payment of the dividend pertaining to Financial Year 2013-2014 will expire on 02.09.2021 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government.

The Due date for the transfer of Dividends to Investor Education and Protection Fund (IEPF) pertaining to previous Financial Years is given below:

S.No	Financial Year	Date of Declaration of Dividend	Last Date of Claiming Dividend	Due date for transfer to IEPF
1	2013-14	28.07.2014	02.09.2021	02.10.2021
2	2014-15	15.09.2015	21.10.2022	20.11.2022
3	2015-16	30.09.2016	05.11.2023	04.11.2023
4	2016-17	28.09.2017	03.11.2024	02.12.2024
5	2017-18	29.09.2018	04.11.2025	03.12.2025
6	2018-19	30.09.2019	05.11.2026	04.12.2026

**COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY**

The Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the Financial Year, hence Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and the Company need not adopt any Corporate Social Responsibility Policy.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There have been no frauds reported by the auditors u/s 143(12).

**DETAILS RELATING TO DEPOSITS**

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the Financial Year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

During the period under review, there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

**CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable Securities laws. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation.

The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website i.e. [www.cilsecurities.com](http://www.cilsecurities.com).

**SECRETARIAL STANDARDS**

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

**ACKNOWLEDGEMENT**

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

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

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

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

**Place :** Hyderabad  
**Date :** 18th June 2021

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