



B.N.RATHI SECURITIES LIMITED

BOARD OF DIRECTORS

Sri LAXMINIVAS SHARMA	- Chairman
Sri K.HARISHCHANDRA PRASAD	- Director
Sri VIJAY KUMAR TAORI	- Director
Sri T. S. SURYANARAYANA MURTHY	- Director
Sri HARI NARAYAN RATHI	- Managing Director
Sri CHETAN RATHI	- Executive Director

REGISTERED OFFICE

6-3-652,Kautilya, Amrutha Estates,
Somajiguda, Hyderabad-500082
Phones : 040-30527777,30727777
e-mail : bnrsl@bnrsecurities.com
Web : www.bnrsecurities.com

AUDITORS

Kalyandas & Co.,
Chartered Accountants
15,Venkateshwara Colony,
Narayanguda, Hyderabad - 500029.

BANKERS

HDFC Bank Ltd.
ICICI Bank Ltd
State Bank of India

**STOCK EXCHANGES
(LISTED)**

Bombay Stock Exchange Ltd.(523019)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

**REGISTRARS & SHARE
TRANSFER AGENTS**

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel No.040-44655000 Fax No.040-23420814,

**DEMAT ISIN IN
NSDL & CDSL**

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B.N.RATHI SECURITIES LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of B N Rathi Securities Limited will be held on Thursday 8th August 2013 at 10.30 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500 0082. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Kumar Taori, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. T. S. Suryanarayana Murthy, who was appointed as an additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f 29.05.2013 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation."

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

Re- Appointment of Mr. Chetan Rathi as an Executive Director:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, Mr. Chetan Rathi be and is hereby re-appointed as an Executive Director of the Company for a period of 2 years with effect from 31.03.2013 with the following terms and conditions subject to the approval of the shareholders in the next General Meeting."

- I. Salary : Rs. 65,000/- per month
- II. In addition to the above the Executive Director is entitled to the following facilities:
 - a) Free use of the Company's car with driver.
 - b) Free telephone facility at residence.
 - c) Encashment of Leave as per the rules of the Company.
 - d) Club fee subject to maximum of two clubs. This will not include admission and life Membership fee.
 - e) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
 - f) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 2 months' salary over a period of 2 years.
 - g) Leave Travel Concession for self & family once in a year as per the rules of the company.

For and on behalf of the Board
for **B.N. Rathi Securities Limited**

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 05.08.2013 to 08.08.2013 (Both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership, as per details furnished by NSDL and CDSL, for this purpose.
4. Subject to the provisions of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose names appear on the Company's Register of Members as on 08.08.2013.
5. The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/send any change in their address/mandate/bank details; and Particulars of their bank account, in case the same have not been sent earlier to the Company's Registrar and Transfer Agent.
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Transfer Agent of the Company.
8. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
9. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
10. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2012-13, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2005-2006 to the IEPF on or before 28th October, 2013. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
13. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

**For and on behalf of the Board
for B.N. Rathi Securities Limited**

Date : 29.05.2013
Place : Hyderabad.

**LAKSHMINIVAS SHARMA
CHAIRMAN**



B.N.RATHI SECURITIES LIMITED

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

ITEM NO. 5

The members may note that Mr. T. S. Suryanarayana Murthy, was inducted into Board as Additional Director of the company, with effect from 29.05.2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in the General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. T. S. Suryanarayana Murthy may be deemed to be concerned or interested in the resolution.

ITEM NO. 6

The term of appointment of Mr. Chetan Rathi as an Executive Director of the Company expired on 31.03.2013 and therefore, the Board of Directors in its meeting held on 06.02.2013, reappointed Mr. Chetan Rathi as an Executive Director for a period of two years with effect from 31.03.2013 as per the terms and conditions explained in the resolution.

As per the provisions of Schedule XIII of the Companies Act, 1956, re-appointment of Mr. Chetan Rathi as an Executive Director, requires the approval of the members in the General Meeting. Hence, the above resolution at item no.6 is submitted to the meeting for ratification by the members of the Company by passing Special Resolution.

Mr. Chetan Rathi, aged 37 years has done masters in Business Management. He has vast knowledge and experience in securities market. His professional knowledge and expertise would be of immense useful for the efficient functioning of the technical department. He is on the Board of the Company since 01.04.2010. He is currently looking after day to day operations. He is also the director of B.N. Rathi Comtrade Private Limited and B.N. Rathi Industries Private Limited, subsidiaries of your company.

He does not hold any committee Memberships in any company.

The notice together with the explanatory statement attached herewith should be treated as an abstract of the terms of the agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956.

The Board of Directors recommends the above resolution at item no.6 for the members' approval in the Annual General Meeting.

None of the Directors of the Company except Mr. Hari Narayan Rathi and Mr. Chetan Rathi are concerned or interested in this resolution.

For and on behalf of the Board
for **B.N. Rathi Securities Limited**

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 27th Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2013 are summarised as under:

	(Rs. In. Lakhs)	
	2012-13	2011-12
Total Income	622.01	624.53
Total Expenditure	566.84	570.12
Profit before Tax	55.17	54.41
Provision for taxation	16.13	15.49
Profit after Tax	39.04	38.92
Transfer to General Reserves	-	-
Profit available for Appropriation	39.04	38.92
Provision for proposed Equity Dividend	25.20	25.20
Provision for Corporate Dividend Tax	4.28	4.09
Balance carried to Balance Sheet	9.56	9.63

DIVIDEND:

Your Directors are pleased to recommend a Dividend of Re. 1 per share i.e., @ 10% on the Paid up Equity Share Capital of the Company in respect of the financial year 2012-13. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 29.48 lakhs, for which necessary provision has been made in the accounts.

OPERATIONS:

The performance of the Company during the year under review has been satisfactory. The company got the Trading membership of MCX Stock Exchange in Equity and Derivatives Segment. The Company is also making all efforts to expand in the various parts of the country its trading terminals.

INSURANCE:

The assets of the company are adequately insured. The Company has also taken Stock Brokers Indemnity Insurance to cover the exposure arising from NSE, BSE & MCX-SX operations, and also a Liability insurance Policy for Central Depository Services (India) Limited.

LISTING:

The Equity Shares of the Company are listed on BSE Limited (Stock Code 523019). The annual listing fees for the year 2013- 2014 has been paid to the Stock Exchange.

DIRECTORS:

Mr. B. N. Rathi, the Promoter Director passed away during the year. The Board placed on record its sincere appreciation for the valuable services rendered by him during his tenure as Director of the Company.

Mr. T. S. Suryanarayana Murthy was appointed as additional director on the board w.e.f. 29.05.2013. Mr. Chetan Rathi, Executive Director whose term of appointment expired on 31.03.2013 was re-appointed as an Executive Director for a term of two years w.e.f. 31.03.2013 subject to the approval of members.

In accordance with the Companies Act, 1956 and read with Articles of Association of the Company, Mr. Vijay Kumar Taori retires by rotation and is eligible for reappointment and your Board recommends the re-appointment of Mr. Vijay Kumar Taori.

For and on behalf of the Board
for **B.N. Rathi Securities Limited**

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

BRIEF PROFILE OF MR. VIJAY KUMAR TAORI:

Particulars	Mr. Vijay Kumar Taori
Date of Birth	24.07.1947
Date of Appointment	30.04.2011
Qualifications	M A
No. of Shares held in the Company	Nil
Directorships held in other companies	Mahaveer Infoway Limited, Trimurthi Drugs & Pharmaceuticals Limited

BRIEF PROFILE OF MR. T. S. SURYANARAYANA MURTHY:

Particulars	Mr. T. S. Suryanarayana Murthy
Date of Birth	09.06.1945
Date of Appointment	29.05.2013
Qualifications	FCA
No. of Shares held in the Company	Nil
Directorships held in other companies	Pitti Laminations Limited

BRIEF PROFILE OF MR. CHETAN RATHI:

Particulars	Mr. Chetan Rathi
Date of Birth	08.03.1976
Date of Appointment	31.03.2013
Qualifications	M B A
No. of Shares held in the Company	1,74,267
Directorships held in other companies	Nil

CAPITAL OF THE COMPANY:

The Authorized capital of the company stands at Rs.6,00,00,000 consisting of 60,00,000 equity shares of Rs 10/- each and paid-up capital at Rs.2,52,00,000 divided into 25,20,000 equity shares of Rs 10/- each.

AUDITORS:

The Auditors of the Company M/s. Kalyandas & Co. Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The company has also received a certificate from them under Section 224 (1B) of the Companies Act, 1956.

AUDITOR'S REPORT:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2013 and has noted that the same does not have any reservation, qualification or adverse remarks.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEES:

None of the employees is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors report for the year ended 31st March, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that 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 as at the end of the financial year 31.03.2013 and of the profits of the company for that period;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;



B.N.RATHI SECURITIES LIMITED

(iv) that they have prepared the annual accounts on a going concern basis.

STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

UN PAID / UN CLAIMED DIVIDEND:

In terms of the provisions of Section 205C of the Companies Act, 1956 the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the 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 2005-2006 will expire on October 28th, 2013 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.

COMPLIANCE CERTIFICATE:

The Compliance Certificate referred as per the provision to Sub - Section (1) of Section 383A of the Companies Act, 1956 is obtained.

CREDIT & GUARANTEE FACILITIES:

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company, from HDFC Bank Ltd. Personal Guarantees were given by the Managing Director, Mr. Hari Narayan Rathi and Executive Director, Mr. Chetan Rathi without any consideration for obtaining Bank Guarantees.

SUBSIDIARY COMPANIES:

B N Rathi Comtrade Private Limited, the wholly owned subsidiary of the Company, recorded a net profit of Rs.35.94 Lakhs as against Rs.42.47 Lakhs in the previous year.

During the financial year, your company acquired 100% of the equity capital of M/s B N Rathi Industries Pvt Ltd on 02.11.2012 and B N Rathi Industries Pvt Ltd has become a wholly owned subsidiary of your Company. B N Rathi Industries Pvt Ltd is in the process of commencing business.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standards AS-21, notified by Companies (Accounting Standards) Rule, 2006, the consolidated financial statements covered in this annual report by the Company include financial information of its subsidiaries B N Rathi Comtrade Private Limited and B N Rathi Industries Private Limited forms part of this annual report.

INTERNAL AUDIT:

M/s. T.R.Chadha & Co., Chartered Accountants, Hyderabad are the internal Auditors of the Company, and are the Concurrent and Internal Auditors for CDSL Operations also.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

The information pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable. The particulars regarding income and expenditure in Foreign Currency are nil.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the valuable co-operation, support and assistance received from the Government Departments and Local Authorities, Securities and Exchange Board of India, Financial Institutions, Banks, National Stock Exchange of India Limited, BSE Limited and Central Depository Services (India) Limited.

Your Directors also acknowledge the continued support given by the valued and esteemed client and sub-brokers and the sincere and dedicated services of the employees of the Company at all levels.

Your Directors also like to express their thanks to the shareholders for the continued confidence reposed in the management of the Company.

For and on behalf of the Board
B.N. Rathi Securities Limited

Date : 29.05.2013
Place : Hyderabad.

LAXMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of
B.N. Rathi Securities Limited,

We have audited the accompanying financial statements of M/s B.N.RATHI SECURITIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit & 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 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.

Auditors' 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. 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 31st March, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows 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 the Annexure a statement on 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



B.N.RATHI SECURITIES LIMITED

ANNEXURE TO THE INDEPENDENT AUDIT REPORT of B.N.RATHI SECURITIES LIMITED

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we further report the matters to the extent applicable as under:

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at the year end and no serious discrepancies were noticed on such verification. No Fixed Assets disposed off however the Company has writtenoff WDV of VSATs Assets Rs.12,63,778/- on the ground that the Assets have become obsolescence which do not affect the going concern assumption.
- 2) The stock of inventory has been physically verified by the management at reasonable intervals. In our opinion, and according to the information given to us, the procedure for 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. In our opinion the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) a) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. However during the year the company has granted unsecured loan of Rs.40 Lakhs (Interest Free) to the Subsidiary Company M/s. B. N. Rathi Comtrade Private Limited and the same has been repaid.

Rs.50,000/- (Interest Free) to the Subsidiary Company M/s. B. N. Rathi Industries Private Limited.

b) The Company has not obtained unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 4) In our opinion there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of stock (shares) and services requires improvement. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.
- 5) In our opinion and according to the explanation given to us, the particulars of Contracts or arrangements required to be entered in the register under Section 301 of the Companies Act, 1956 have been entered and transactions aggregating during the Financial year to Rupees Five Lakhs or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such securities or the prices at which transactions for similar securities or services have been made with other parties. During the year, the company has paid Rs.10 lakhs towards Rental Deposit (Interest free) for Registered Office (Hyderabad) to the owner Smt. Chanda Devi Rathi a related party.
- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant Provisions of the Companies Act, 1956 and the Rules framed there under.
- 7) In our opinion the Company has a system of internal audit which commensurate with its size and nature of its business.
- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.
- 9) The Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Income Tax, Service Tax and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31st March, 2013 for a period of more than six months from the date they become payable.

According to the information and explanations given to us, there are no disputed Provident Fund, Investor Education and Protection Fund, Service Tax and other statutory dues.

Details of disputed Income Tax

The company has filed CIT Appeal against the order passed U/s.143 (3) in respect of Income Tax Demand of Rs.11, 45,465/- which is pending disposal.



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- 10) The Company has no accumulated losses as at 31st March, 2013 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- 11) As per the explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) The Company is a Member of NSE, BSE and MCX-SX renders services for investors in purchase and sale of shares and securities and also deals in shares and securities. The Company has maintained proper records of the transactions and contracts of purchases and sale of shares and other securities and timely entries have been made therein. The Company has held the shares in the name of the Company.
- 15) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions. However during the year, the company has given Corporate Guarantee of Rs.1.70 Crores to HDFC on behalf of Subsidiary Company M/s. B. N. Rathi Comtrade Private Limited.
- 16) The Company has obtained Term Loan from a Bank during the year and the same was applied for the purpose for which the loan was obtained.
- 17) On the basis of our examinations of the books of account and the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For KALYANDAS & CO.,
Firm Regd. No. 001677S
Chartered Accountants

Date : 29.05.2013
Place: Hyderabad

G. KALYANDAS
Membership No.7102
Partner

**B.N.RATHI SECURITIES LIMITED****Balance Sheet as at March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	2,52,00,000	2,52,00,000
(b) Reserves and Surplus	2	55,852,418	5,51,27,945
2. Non- Current Liabilities			
(a) Long-Term Borrowings	3	25,00,000	25,00,000
(b) Other Long Term Liabilities	4	1,11,90,328	1,35,56,272
3 Current Liabilities			
(a) Trade Payables	5	6,11,27,176	6,66,41,215
(b) Other Current Liabilities	6	22,76,644	39,95,716
(c) Short-Term Provisions	7	46,53,219	45,61,238
Total :		<u>16,27,99,785</u>	<u>17,15,82,386</u>
II ASSETS			
1.Non-Current Assets			
(a) Fixed Assets			
(i) Tangable Assets	8	34,89,876	58,33,006
(ii) Intangible Assets		5,30,373	8,63,702
(b) Non-Current Investments	9	1,00,99,500	99,99,800
(c) Deferred tax assets (net)	10	1,96,735	1,05,354
(d) Long term loans and advances	11	5,57,90,033	1,91,55,204
2.Current Assets			
(a) Current investments			
(b) Stock-in-Trade	12	12,27,676	15,55,028
(c) Trade receivables	13	1,47,98,683	2,03,91,601
(d) Cash and cash equivalents	14	6,68,18,563	80,3,13,970
(e) Short-term loans and advances	15	24,82,646	22,96,852
(F) Other Current assets	16	73,65,700	3,10,67,869
Total :		<u>16,27,99,785</u>	<u>17,15,82,386</u>

Notes form on integral part of Balance Sheet as at 31st March 2013

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

G. KALYANDAS

Membership No.7102

Partner

Date : 29.05.2013

Place: Hyderabad

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

HARI NARAYAN RATHI
MANAGING DIRECTOR

**B.N.RATHI SECURITIES LIMITED****Statement of Profit and Loss for the year ended March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I Revenue from operations	17	5,09,86,863	5,32,86,192
II Other Income	18	1,12,14,535	91,67,014
III Total Revenue (I+II)		<u>6,22,01,398</u>	<u>6,24,53,206</u>
IV Expenses			
Employee Benefit Expense	19	1,08,81,549	1,18,96,606
Finance Costs	20	20,72,312	31,36,571
Depreciation and Amortization Expense		15,81,711	21,58,884
Other Administrative Expenses	21	1,31,87,500	13,8,68,589
Sharing Brokerage		2,76,96,927	2,59,51,619
Total Expenses:		<u>5,54,19,999</u>	<u>57,012,269</u>
V Profit before tax (III - IV)		67,81,400	5,44,09,37
VI Extraordinary Item			
VSAT Fixed Assets written off		12,63,778	-
Profit before tax (V - VI)		<u>55,17,622</u>	<u>5,44,09,37</u>
VII Tax expense:			
(1) Current tax		17,04,945	16,32,431
(2) Deferred tax		-91,381	83,269
VIII Profit for the Year		<u>39,04,056</u>	<u>38,91,775</u>
IX Earning per equity share:			
Basic		1.55	1.54
Diluted		1.55	1.54

Notes form an integral part of statement of profit & Loss

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

G. KALYANDAS
Membership No.7102
Partner
Date : 29.05.2013
Place: Hyderabad

HARI NARAYAN RATHI
MANAGING DIRECTOR

**B.N.RATHI SECURITIES LIMITED****Cash flow statement for the year ended March 31, 2013****(Rs. in thousands)**

PARTICULARS	2012-2013	2011-2012
A.CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax as per statement of profit & Loss	5518	5441
Adjustments for:		
Depreciation	1582	2159
Interest expenses	1763	2670
Interest Income	(7962)	(7273)
VSAT Written off	1264	-
Operating profit before working capital changes	2164	2997
Trade and other Receivable	(7244)	(65889)
Inventories	327	1420
Trade payable & other liabilities	(9599)	(94886)
Cash generated from operations	(14351)	(156358)
Less : Direct Tax paid	(1898)	(1564)
NET CASH FLOW FROM OPERATING ACTIVITIES	(16249)	(157922)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(169)	(1244)
Interest Received	7962	6496
Bank Fixed Deposits with more than 12 months maturity (Net.)	17500	7500
Investment in equity shares of subsidiary Company	(100)	-
Loans and Advance to Subsidiaries	(247)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	24946	12752
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(1763)	(2670)
Proceeds / (Repayment) of secured Loan	-	2500
Payment of Dividend & Taxes	(2915)	(3515)
NET CASH USED IN FINANCING ACTIVITIES	(4678)	(3685)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	4019	(148856)
Cash and Cash equivalents as at beginning of the year	17904	166759
*Cash and Cash equivalents as at end of the year	21923	17903
Earmarked balance with banks	1299	1314
Short-term Bank deposits	43596	61096
Cash and Bank Balance at the end of the year	66818	80313

Previous Year's figures have been re-arranged and re-grouped where ever necessary.

Notes form an integral part of statement of profit & Loss

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

G. KALYANDAS

Membership No.7102

Partner

Date : 29.05.2013

Place: Hyderabad

For and on behalf of the Board**LAXMINIVAS SHARMA**
CHAIRMAN**HARI NARAYAN RATHI**
MANAGING DIRECTOR



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 1. Share Capital

	Current Year <u>31.03.2013</u>	Previous Year 31.03.2012
Authorised 60,00,000 Equity Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
Issued, Subscribed & Paid up 25,20,000 Equity Shares of Rs. 10/- each, Fully paid	2,52,00,000	2,52,00,000
Total	2,52,00,000	2,52,00,000

Reconciliation of No of Equity Shares:

Particulars	As at 31st March.2013		As at 31st March.2012	
	No. of shares	Value Rs.	No. of shares	Value Rs.
1 Balance at the beginning of the year	252000	2,52,00,000	252000	2,52,00,000
2 Add: Shares Issued during the year	-	-	-	-
3 Balance at the end of the year	252000	2,52,00,000	252000	2,52,00,000

The Company has only one class of equity shares having a per value of Rs.10/- per share Each Shareholder is eligible for one vote per shares. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the share holder	As at 31st March.2013		As at 31st March.2012	
	No. of shares held	%of Holding	No. of shares held	%of Holding
Sri. Harinarayana Rathi	699851	27.77	674851	26.78
Sri. Chetan Rathi	174267	6.92	149268	5.93
Smt. Chanda Devi Rathi	131203	5.21	106203	4.21

Note : 2. Reserve & Surplus

Sr. No	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Capital Reserve	14,90,400	14,90,400
2.	Securities Premium	1,22,40,000	1,22,40,000
3.	General Reserve	3,67,792	3,67,792
4.	Surplus: Profit & Loss Account(OB)	4,10,29,753	4,01,09,883
	Add/(Less) : Income Tax of earlier (2011-12)	-1,46,658	43,598
	Add/(Less) : I.T. Refund 2006-07 writtenoff	-84,651	-
		4,07,98,444	4,00,66,285
	Add: Profit for the year	3904056	38,92,275
		44702500	4,39,58,560
	Less: Proposed Dividend	25,20,000	25,20,000
	Tax on Proposed Dividend	4,28,274	4,08,807
	Balance at the end of the year (CB)	4,17,54,226	4,10,29,753
	Total	5,58,52,418	5,51,27,945

**B.N.RATHI SECURITIES LIMITED****Notes on Financial statement for the year ended March 31, 2013****Note : 3. Long Term Borrowings**

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Loan Repayable on Demand Long Term Loan from HDFC Bank (On security of Fixed Deposits as Margin Security)	25,00,000	25,00,000
	Total	25,00,000	25,00,000

Note : 4. Other Long Term Liabilities

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Deposits for VSAT	87,332	95,696
2.	Clients Margin Deposits	1,11,02,996	1,34,60,576
	Total:	1,11,90,328	1,35,56,272

Note : 5. Trade Payables

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Total Outstanding Dues of Creditors		
	a)Creditors - Clients	5,56,61,574	3,57,20,861
	b)Creditors - Services	54,65,602	42,19,496
	c)Initial Margin - IL&FS		2,67,00,858
	Total:	6,11,27,176	6,66,41,215

Note : 6. Other Current Liabilities

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Unpaid Dividend	13,07,043	1,31,31,735
2.	Outstanding Liabilities	9,69,601	26,81,981
	Total:	22,76,644	39,95,716

Note : 7. Short Term Provisions

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Provision for Taxation	17,04,945	16,32,431
2.	Proposed equity Dividend	25,20,000	25,20,000
3.	Corporate Dividend Tax	4,28,274	4,08,807
	Total:	46,53,219	45,61,238



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 8. Fixed Assets Fixed Assets

Sr. No	Particulars	Rate %	Gross Block				Depreciation				Net Block			
			Value at the beginning	Addition During theyear	Deduction During the year	Value at the end	Value at the beginning	Addition During theyear	Deduction During the year	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012		
I	Tangible Assets													
	Plant & Equipment	40.00%	5962775	154750	-	6117525	5096760	373478	-	5470239	647287	866015	866015	476816
	Air Conditioner	13.91%	850035	-	-	850035	373219	66325	-	439544	410491	476816	476816	36312
	Photo Copier	20.00%	127000	-	-	127000	90688	7262	-	97950	29050	36312	36312	-
	VSAT's	13.91%	3231324	-	3231324	-	1763351	204195	1967546	1967546	-	1467973	1467973	1308698
	Furnitures & Fixtures	18.10%	4157398	-	-	4157398	2848700	236874	-	3085575	1071823	1308698	1308698	869718
	Office Equipment	18.10%	2303548	-	-	2303548	1433830	157419	-	1591249	712299	869718	869718	636290
	Vehicles	25.89%	1748001	-	-	1748001	1111711	164735	-	1276446	471555	636290	636290	171184
	Generator	13.91%	295920	-	-	295920	124736	23812	-	148548	147372	171184	171184	-
	SUB TOTAL (A) :		18676001	154750	3231324	15599427	12842996	1234102	1967546	14077097	3489876	5833006	5833006	863702
II	Intangible Assets													
	Computer Software	40%	2431257	14280	-	2445537	1567555	347609	-	1915164	530373	863702	863702	863702
	SUB TOTAL (B) :		2431257	14280	-	2445537	1567555	347609	-	1915164	530373	863702	863702	863702
	Total (A + B) :													
	(Current Year)		21107258	169030	3231324	18044964	14410551	1581711	1967546	15992261	4020249	6696708	6696708	7611563
	Previous Year		19863230	1244028	-	21107258	12251667	2158884	-	14410551	6696708	7611563	7611563	-



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 9. Non Current Investment

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Investment in Subsidiary Company M/s B N Rathi Comtrade Private Limited 9999800 fully paid Equity Shares of Rs. 10/- each	99,99,800	99,99,800
2	M/s B N Rathi Industries Private Limited 9,700 fully paid Equity Shares of Rs. 10/- each	99,700	-
Total		1,00,99,500	99,99,800

Note : 10. Deferred Tax Assets (Net)

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Deferred Tax Asset on account of Opening Balance 01.04.2012 Add/ (Less): Provision for the year	1,05,355 91,380	22,085 83,269
Total		1,96,735	1,05,354



B.N.RATHI SECURITIES LIMITED

Note : 11. Long Term Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Un Secured, Considered good		
I	Capital Advances		
	Property pending registration & Possession	14,74,864	-
II	Security Deposits		
	a) NSE - Interest free Security Deposit	41,00,000	41,00,000
	b) NSCCL- Interest free Security Deposit	9,00,000	9,00,000
	c) NSE Derivatives Segment Deposit	8,00,000	8,00,000
	d) BSE Trading Member Deposit	1,00,00,000	1,00,00,000
	e) NSE - VSAT Deposit	1,00,000	2,00,000
	f) BSE Membership Security Deposit	5,00,000	5,00,000
	g) BSE Base Capital adequacy Deposit	5,00,000	5,00,000
	h) BSE Brokers contingency Fund	2,50,000	2,50,000
	i) BSE VSAT Deposit	2,50,000	2,50,000
	j) NSE Currency Derivatives Segment Deposit	2,00,000	2,00,000
	k) NSE SPOT -DP Deposit	1,00,000	1,00,000
	l) VSAT Deposit - MCXSX	55,150	55,150
	m) ILFS BSE Margin Deposit	2,00,000	-
	n) Admission DEPOSIT-MCX STOCK EXCHANGE	10,00,000	-
	o) MCX stock exchange security deposit	21,00,000	-
	p) ILFS Security deposit for initial margin	3,00,00,000	-
III	Loans and Advance to related parties		
	(a) Due from subsidiary companies		
	B.N.Rathi Comtrades Pvt.Ltd	1,97,475	-
	B.N.Rathi industries Pvt.Ltd.	50,000	-
	(b) Rental Deposits	11,00,000	-
	(Refer note on related party)		
IV	Other Loans & Advances		
	A) Recievables		
	a) Brokerage recievable	3,30,889	-
	b) NSEIL- TDS Receivable	1,08,112	-
	c) Transaction Charges receivable	21,298	-
	d) Input Credits - Service tax	3,84,842	-
	B) Deposits		
	a) Lease Line Deposit	2,00,000	2,00,000
	b) Secunderabad Club -Deposit	2,50,000	3,00,000
	c) Rent deposits-Others	2,03,500	3,02,500
	d) Other Deposits	1,59,014	1,58,014
	e) Income Tax Refundable	2,54,889	3,39,540
	Total	5,57,90,033	1,91,55,204



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 12. Stock -In- Trade

Sr. No.	Particulars	No of Shares(Qty)	Current Year 31.03.2013	Previous Year 31.03.2012
	Stock -in-Trade (Stock -in-Trade Valued at cost)			
A	Listed			
	Rohit Ferro Tech Ltd		-	3,77,280
	Vijay Textiles Ltd	12,821	3,17,676	2,67,748
	Total: A		3,17,676	6,45,028
	Aggregate Market Value of listed Shares		1,19,235	5,53,000
B	Un - Listed			
	a) Mahesh Vidya Bhavan Ltd	20,000	2,00,000	2,00,000
	b) Hyderabad Stock Exchange Ltd	10,000	10,000	10,000
	c) HSE Securities Ltd	10,000	1,00,000	100000
	d) Bombay Stock Exchange Ltd	400	1,00,000	1,00,000
	e) Sevenhills Co-op Bank Ltd	5,000	5,00,000	5,00,000
	Total: B		9,10,000	9,10,000
	Total (A+B)		12,27,676	15,55,028

Note : 13. Trade Recievables

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	More than six months Un-Secured, Considered Good	32,02,104	25,17,778
2	Less than six months Un-Secured, Considered Good	1,15,96,579	1,78,73,823
	Total:	1,47,98,683	2,03,91,601



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 14. Cash & Cash Equivalents

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Bank Balances	2,19,02,101	1,78,93,816
2.	Cash-O n-hand	21,011	10,246
	Sub Total : A	2,19,23,112	1,79,04,062
3.	Others Bank Balance		
	i) Earmarked Balances with Banks (Un-Claimed Dividend)	12,99,279	13,13,735
	ii) Bank Fixed deposits with more than Twelve months maturity		
	(a) for Bank Gurantee	1,50,00,000	2,00,00,000
	(b) for Overdraft facility	1,42,96,172	2,67,96,172
	(c) for NSEIL - Currency Derivatives	8,00,000	8,00,000
	(d) for Bombay Stock Exchange India Ltd.	10,00,000	10,00,000
	(e) for NSCCL/IL&FS	1,25,00,000	1,25,00,000
	Sub Total : B	4,48,95,451	6,24,09,908
	Total (A+B)	6,68,18,563	8,03,13,970

Note : 15. Short Terms Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Unsecured considered good		
1.	Advance Income tax & TDS	18,13,479	17,77,779
2.	Staff advance	2,55,500	44,851
3.	Others Advance	33,031	-
3.	Prepaid expenses	3,09,869	4,74,222
4.	Recievables	70,769	-
	Total	24,82,648	22,96,852

Note : 16. Other current assets

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
(i)	Additional Base Capital with NSE/BSE/MCX-SX	6,00,000	25,00,000
(ii)	Initial Margin Deposit with IL&FS for F&O/BSE/CDX	4500000	26800000
(iii)	Accured Interest on FDRs	22,65,700	17,67,869
	Total	73,65,700	3,10,67,869



B.N.RATHI SECURITIES LIMITED

Notes Forming part of the statement of the year ended March 31, 2013

Note. 17. Revenue from Operations

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Sale of Services		
	a) Brokerage A/c	4,44,07,863	4,68,59,734
2	Other operating Revenues		
	a) Other Charges Received	40,97,950	46,41,971
	b) Income from DP operations	24,81,051	17,84,487
	Total	5,09,86,864	5,32,86,192

Note : 18. Other Income

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Interest on BSE Mem. Deposit	1,11,514	1,36,259
2	Interest on Bank Fixed Deposits	56,72,425	47,73,022
3	Interest on IL&FS - Margin Deposits	21,78,486	23,64,195
4	Dividend Income	56,583	4,020
5	Profit on Stock in Trade/Investment	3,54,475	3,46,254
6	Brokerage New Issues	13,696	48,707
7	Other Income	28,27,356	13,44,557
8	Other Income (Bad Debts Writtenoff)	-	1,50,000
	Total	1,12,14,535	91,67,013

Note : 19. Employment Benefit Expenses

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Managerial Remuneration	19,20,000	19,20,000
2	Salaries & Allowances	75,79,651	86,57,878
3	Medical Reimbursement	1,01,800	97,136
4	Provident Fund Contribution	5,52,887	5,97,426
5	Staff welfare	1,21,573	1,23,433
6	Bonus & Gratuity	6,05,638	5,00,733
	Total	1,08,81,549	1,18,96,606

Note : 20 Financial Cost

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Interest Paid	17,63,371	26,70,390
2	Bank Gurantee Charges	3,08,941	4,66,181
	Total	20,72,312	31,36,571



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 21 Other Administrative Expenses

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Rent, Rates & Taxes	19,85,789	24,93,255
2	Printing & Stationery	4,02,260	7,55,158
3	Postage & Courier Charges	2,23,352	3,34,245
4	Conveyance	44,334	26,934
5	Travelling Expenditure	1,35,410	1,84,128
6	Telephone charges	4,37,998	3,25,432
7	Advertisement Expenses	81,450	67,816
8	Audit Fee		
	(a) Statutory Audit	40,000	40,000
	(b) Tax Audit	9,000	9,000
	(c) Other Services	1,70,250	2,00,777
9	Internal Audit Fee	1,22,000	1,22,000
10	Registrar and Share Transfer Agency Charges	78,000	36,309
11	VSAT Charges	1,52,202	3,11,075
12	Transaction Charges	52,33,126	51,39,308
13	Subscription & Membership Fee	2,66,069	2,23,835
14	Annual Maintanance Charges	7,13,137	7,18,653
15	Professional & Consultancy Fee	2,15,731	2,79,500
16	Listing & Filing/Reg. & Renewals	1,42,717	3,47,704
17	Directors Sitting Fee	69,000	55,000
18	Electricity Charges	4,25,470	3,31,150
19	Generator Maintanance charges	61,237	38,190
20	Vehicle Maintenance	2,93,808	2,75,298
21	Office Maintenance	1,47,425	1,93,659
22	Repairs & Maintenance	2,24,033	1,36,166
23	Stock Exchange & SEBI Fee (Including penalty of Rs. 10,000/-)	1,75,642	2,71,722
24	Business Promotion	89,185	1,59,694
25	Bank Charges	11,306	29,755
26	Insurance	46,780	55,214
27	Legal Expenses	2,648	1,19,665
28	Leased Line charges	5,74,830	4,68,626
29	Bad debts written off	6,148	57,727
30	Donations		7,600
31	Other expenses	3,61,882	38,663
32	consideration fee	2,00,000	-
33	Gifts	45,281	15,332
	Total	1,31,87,500	1,38,68,589

Corporate Information:

B N Rathi Securities Limited is the Corporate Member of NSE, BSE, and MCX Stock Exchange Limited and Depository Participant with CDSL, its Subsidiary Company B N Rathi Comtrade Private Limited is the Corporate Member of MCX, NCDEX and National Spot Exchanges.



B.N.RATHI SECURITIES LIMITED

Notes on Financial statement for the year ended March 31, 2013

22. The Company has not paid remuneration to any of its employees exceeding Rs. 24,00,000/- per annum or Rs.2,00,000/- per month as the case may be .
23. Contingent Liability:
- on behalf of the Company, HDFC Bank have given Bank Guarantees of Rs 300.00 Lakhs (Previous Year Rs. 300.00 Lakhs) to NSCCL and BSE.
 - During the year, the company has given Corporate Guarantees of Rs. 1.70 Crores to HDFC on behalf of Subsidiary Company M/S B N Rathi Comtrade Private Limited.
 - In the absence of information Income tax contingent liability in respect other appeals could not be quantified.
 - The Company has filed CIT Appeal against the order passed U/s 143(3) in respect of Income Tax Demand of Rs. 11,45,465/- which is pending disposal.
24. The Company has obtained a net profit 3,54,475/- in share trading. The aggregate value of shares purchased workedout Rs.1814.79 Crores and the sale thereof worked out to Rs.1818.33 Crores The above profit has been included in other income.
25. Provision for Income tax is Rs. 17,04,945/- made for the year.
26. Bad Debts written off Rs.57, 727/-during the year.
27. During the year the Company has purchased Equity shares of M/s B N Rathi Industries Private Limited by transfer from related parties Rs 99,700/-as per the Board of Directors resolution. Consequently to holding 99.70% Equity Shares, M/s B N Rathi Industries Private Limited became the Subsidiary Company.
28. During the year, the company has entered in to agreement for sale of land with Smt.Hari Gayatri spouse of the client Mr Venkata Appa Rao Yeleswarapu. It was informed that the client has outstanding due to the company of Rs 34, 43,070/- towards purchase & sale of shares as on 31.01.2013.Further informed that during the course of recovery the company accordingly entered into agreement of sale vide agreement dated 01.02.2013 with the clients's wife and agreed to treat Rs 14, 74,864/-as advance from the company against amount payable by her husband to the company registration infavour of the company. The company has disclosed in the financial statement the amount of Rs. 14, 78,464/- under Loans & Advances "Property Pending for Registration and possession".
29. **Related Party Disclosure:**
Key Management Personnel: Hari Narayan Rathi and Chetan Rathi
Relatives of Key Management Personnel:
 Sri . Govind Narayan Rathi brother of Sri Hari Narayan Rathi
 Smt. Chanda Devi Rathi wife of Sri Hari Narayan Rathi
 Smt Nisha Rathi wife of Sri Chetan Rathi
 Smt Anuradha Pasari Daughter of Sri Hari Narayan Rathi
 Sri Amit Rathi son of Govind Narayan Rathi
Subsidiary : M/s B N Rathi Comtrade Private Limited
 M/s B N Rathi Industries Private Limited

Related Party Transactions during the year 2012-2013

(Amount in Rupees)

Particulars	Enterprises having common key management personnel	Key management personnel	Relatives of key management personnel	Total
Rent paid	-	-	6,00,000	6,00,000
Rent Deposit	-	-	11,00,000	11,00,000
Remuneration	-	19,20,000	-	19,20,000
Services rendered	8,17,603	5,065	1,04,058	9,26,726

30. As required by Accounting Standard 20 Earning Per Share issued by Institute of Chartered Accountants of India (ICAI) .basic earning per share has been calculated by dividing net profit after tax weighted average number of equity shares outstanding during the year as per details given below:

	Current Year 2012-2013	Previous Year 2011-2012
Profit as per Profit and Loss Account	39,04,056	38,91,775
Weighted average number of shares used in computing basic earning per equity share	25,20,000	25,20,000
Basic & Diluted earning per share . (On nominal value of Rs 10/- per share)	Rs.1.55	Rs. 1.54

31. Figures of the previous year have been regrouped or re-arranged wherever Considered necessary.



B.N.RATHI SECURITIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES:

- A. **GENERAL:** The financial statements are prepared on historical cost convention, on basis of a going concern, on an accrual basis and in accordance with the applicable accounting standards.
- B. **TANGIBLE AND INTANGIBLE ASSETS :** Assets are stated at cost less accumulated depreciation.
- C. **DEPRECIATION:** Depreciation has been provided on written down value of the Assets as per the rates specified in Schedule XIV of the Companies Act, 1956. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.
- D. During the year, the company has written off balance in VSATs Fixed Assets written down value of Rs 12, 63,778/- as the Assets become obsolescence and recorded in the minutes of the Board of Directors Meeting.
- E. **VALUATION OF STOCK OF SECURITIES:** Securities disclosed under 'Stock in Trade' is stated at cost.
- F. **RETIREMENT BENEFITS:** The Company contributes to Group Policy with Life Insurance Corporation of India to cover its liabilities towards Employees Gratuity.
- G. **RECOGNITION OF INCOME AND EXPENDITURE:** Items of Income and expenditure are on accrual basis subject to the notes on accounts.
- H. **INVESTMENT IN SUBSIDIARY COMPANIES:** B N Rathi Comtrade Private Limited and B N Rathi Industries Private Limited are the 100% subsidiary of the Companies.
- I. **TAXATION:** Current tax is determined on taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, 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. Deferred Tax assets on difference between WDV of assets as per Companies Act and Income tax Act.
- J. **REMITTANCE IN FOREIGN CURRENCY FOR DIVIDENDS:** The Company has remitted Rs.Nil (March 31,2012: Rs NIL) in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non resident shareholders. The particulars dividend declared and paid to non -resident share holders for the year ended in Indian Rupees is stated as under:

Particulars	Number of Non Resident of shareholders	Number of Equity Shares held	Gross Amount of Dividend Rupees	Gross Amount Dividend Rupees
			Current Year	Previous Year
Final dividend for 2010-11	3	4218	-	5061
Final dividend for 2011-12	3	4252	4252	-

- K. Income in Foreign Currency Rs Nil (Previous Year Rs Nil) and Expenditure in Foreign Currency Rs Nil (Previous Year Nil)
- L. **CASH FLOW STATEMENT:** Cash Flow are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non -cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.
- M. **CASH AND CASH EQUIVALENTS:** Cash comprises cash on hand and demand deposits with banks. Cash & Cash equivalents are short -term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Significant Accounting Policies and Practices
Vide our separate report of even date

For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 29.05.2013
Place: Hyderabad

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

HARI NARAYAN RATHI
MANAGING DIRECTOR

**B.N.RATHI SECURITIES LIMITED****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

Sr. No.	Particulars	B N Rathi Comtrade Private Limited	B N Rathi Industries Private Limited
1.	No. of shares issued by the subsidiary Company: Equity	10,00,000 Equity Shares of Rs.10/- Each	10,000 Equity Shares of Rs.10/- Each
2.	No. of Equity Shares held by the Holding company in the subsidiary Company	9,99,980 Equity Share of Rs. 10/- Each	9,700 Equity Share of Rs. 10/- Each
	Percentage of holding	99.99%	99.70%
3.	The Financial Year of the Subsidiary Company ended	31.03.2013	31.03.2013
4.	The net aggregate profit/(loss) of subsidiary company so far as it concerns the Members of the holding company and is not dealt with in the Holding Company's Accounts.	35,93,625	-
	a) For the Financial Year of the subsidiary	7072162	NA
	b) For the Previous Financial years since it became holding company's subsidiary	-	-
5.	The net aggregate profit/(loss) of subsidiary company so far as it concerns the Members of the holding company and is dealt with in the Holding Company's Accounts.		
	c) For the Financial Year of the subsidiary	-	-
	d) For the Previous Financial year	-	-

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 29.05.2013
Place: Hyderabad

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

HARI NARAYAN RATHI
MANAGING DIRECTOR



B.N.RATHI SECURITIES LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013.

TO THE BOARD OF DIRECTORS OF
M/s B.N.RATHI SECURITIES LIMITED

We have audited the accompanying consolidated financial statements of M/s.B.N.RATHI SECURITIES LIMITED and its Subsidiaries, which comprise the consolidated Balance Sheet as at 31st March , 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated 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 and on consideration of the separate audit reports on individual audited financial statements of M/s. B.N.RATHI SECURITIES LIMITED and its Subsidiary M/s.B.N.RATHI COMTRADE PRIVATE LIMITED & M/s. B.N.RATHI INDUSTRIES PRIVATE LIMITED, in our opinion, the consolidated financial statements read with Significant Accounting Policies and Notes on the consolidated accounts give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Company and its subsidiaries, as at 31st March, 2013 and
- (ii) in case of the Consolidated Statement of Profit & Loss, of the Profit of the Company and its subsidiaries for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Company and its subsidiaries for the year ended on that date.

For KALYANDAS & Co.
Firm Regd. No. 001677S
Chartered Accountants.

Date : 29.05.2013
Place : Hyderabad

(G.KALYANDAS)
Partner
Membership No.:7102

**B.N.RATHI SECURITIES LIMITED****Statement of Consolidated Balance Sheet for the year ended March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	2,52,00,000	2,52,00,000
(b) Reserves and Surplus	2	6,62,14,759	6,22,00,669
(c) Minority Interest		678	344
2. Non- Current Liabilities			
(a) Long-Term Borrowings	3	25,00,000	25,00,000
(b) Other Long Term Liabilities	4	1,15,58,902	1,38,62,673
3 Current Liabilities			
(a) Short-Term Borrowings	5	39,53,077	-
(b) Trade Payables	6	10,55,40,812	10,25,35,561
(c) Other Current Liabilities	7	36,65,907	47,73,099
(d) Short-Term Provisions	8	64,98,163	63,88,486
	Total	<u>22,51,32,299</u>	<u>21,74,60,832</u>
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangable Assets	9	61,11,760	90,18,440
(ii) Intangible Assets		5,30,373	8,63,702
(b) Deferred tax assets (net)	10	2,01,716	71,958
(c) Long term loans and advances	11	6,22,97,558	2,54,05,203
(d) Other Non Current Assets	12	1,55,419	-
2. Current Assets			
(a) Stock-in-Trade	13	12,27,676	15,55,028
(b) Trade receivables	14	2,61,99,214	2,85,97,178
(c) Cash and cash equivalents	15	9,53,91,403	9,90,59,906
(d) Short-term loans and advances	16	42,06,664	42,31,640
(e) Other Current Assets	17	2,88,10,516	4,86,57,777
	Total	<u>22,51,32,299</u>	<u>21,74,60,832</u>

Notes form on integral part of Balance Sheet as at 31st March 2013

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 29.05.2013
Place: Hyderabad

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

HARI NARAYAN RATHI
MANAGING DIRECTOR

**B.N.RATHI SECURITIES LIMITED****Consolidated Statement of Profit and Loss for the year ended March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I Revenue from operations	18	8,44,17,394	7,68,43,240
II Other Income	19	1,43,97,513	1,15,05,471
III Total Revenue (I+II)		<u>9,88,14,907</u>	<u>8,83,48,711</u>
IV Expenses			
Employee Benefit Expense	20	1,38,25,649	1,39,01,606
Finance Costs	21	22,21,435	32,75,380
Depreciation and Amortization Expense		22,57,362	24,84,535
Other Administrative Expenses	22	2,39,70,124	2,07,36,888
Sharing Brokerage		4,46,13,343	3,64,18,038
Total Expenses:		<u>8,68,87,912</u>	<u>7,68,16,447</u>
V Profit before tax (III - IV)		1,19,26,995	1,15,32,264
VI Extraordinary Item			
VSAT Fixed Assets written off		12,63,778	-
Profit before tax (V - VI)		1,06,63,217	1,15,32,264
VII Tax expense:			
(1) Current tax		32,94,934	34,59,679
(2) Deferred tax Add/ (Less)		(1,29,759)	(66,725)
VIII Profit for the year (before adjustment for minority Interest) (V-VI)		<u>74,98,042</u>	<u>81,39,310</u>
Less: Minority Interest		178	85
VIII Profit for the Year (after adjustment for minority Interest) (VI-VII)		74,97,864	81,39,225
IX Earning per equity share:			
Basic & Diluted		2.98	3.23

Notes form on integral part of Balance Sheet as at 31st March 2013

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

G. KALYANDAS

Membership No.7102

Partner

Date : 29.05.2013

Place: Hyderabad

For and on behalf of the Board**LAXMINIVAS SHARMA**
CHAIRMAN**HARI NARAYAN RATHI**
MANAGING DIRECTOR

**B.N.RATHI SECURITIES LIMITED****Cash flow statement for the year ended March 31, 2013****(Rs. in thousands)**

PARTICULARS	2012-2013	2011-2012
A.CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax as per statement of profit & Loss	10663	11532
Adjustments for:		
Depreciation	2257	2485
Interest expenses	1789	2685
Interest Income	(10054)	(8902)
VSAT Written off	1264	-
Operating profit before working capital changes	5920	7799
Trade and other Receivable	(14548)	(102489)
Inventories	327	1420
Trade payable & other liabilities	(417)	(82709)
Cash generated from operations	(1718)	(175978)
Less : Direct Tax paid	(3458)	(3518)
NET CASH FLOW FROM OPERATING ACTIVITIES	(12176)	(179497)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(281)	(3768)
Interest Received	9699	7962
Bank Fixed Deposits with more than 12 months maturity (Net.)	9500	7125
NET CASH FLOW FROM INVESTING ACTIVITIES	18917	11319
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(1789)	(2685)
Proceeds / (Repayment) of secured Loan	3953	2500
Payment of Dividend & Taxes	(2915)	(3515)
Subsidiary's Preliminary & Pre Operative Expenses	(144)	-
NET CASH USED IN FINANCING ACTIVITIES	(895)	(3700)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(5847)	(171878)
Cash and Cash equivalents as at beginning of the year	19774	191652
*Cash and Cash equivalents as at end of the year	25621	19774
Earmarked balance with banks	1299	1314
Short-term Bank deposits	68471	77971
Cash and Bank Balance at the end of the year	95392	99059

Previous Year's figures have been re-arranged and re-grouped where ever necessary.

Notes form an integral part of statement of profit & Loss

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants
G. KALYANDAS
Membership No.7102
Partner

Date : 29.05.2013
Place: Hyderabad

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

HARI NARAYAN RATHI
MANAGING DIRECTOR



B.N.RATHI SECURITIES LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2013

Note : 1. Share Capital

	Current Year 31.03.2013	Previous Year 31.03.2012
Authorised 60,00,000 (P/Y 60,00,000) Equity Shares of Rs.10/-	6,00,00,000	6,00,00,000
Issued, Subscribed & Paid up 25,20,000 Equity Shares of Rs.10/- each, Fully paid	2,52,00,000	2,52,00,000
Total:	2,52,00,000	2,52,00,000

Reconciliation of No of Equity Shares:

Particulars	As at 31st March.2013		As at 31st March.2012	
	No. of shares	Value Rs.	No. of shares	Value Rs.
1 Balance at the beginning of the year	252000	2,52,00,000	252000	2,52,00,000
2 Add: Shares Issued during the year	-	-	-	-
3 Balance at the end of the year	252000	2,52,00,000	252000	2,52,00,000

The Company has only one class of equity shares having a per value of Rs.10/- per share Each Shareholder is eligible for one vote per shares. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the share holder	As at 31st March.2013		As at 31st March.2012	
	No. of shares held	%of Holding	No. of shares held	%of Holding
Sri. Harinarayana Rathi	699851	27.77	674851	26.78
Sri. Chetan Rathi	174267	6.92	149268	5.93
Smt. Chanda Devi Rathi	131203	5.21	106203	4.21

Note : 2. Reserve & Surplus

Sr. No	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Capital Reserve	14,90,400	14,90,400
2.	Securities Premium Account	1,22,40,000	1,22,40,000
3.	General Reserve	5,47,492	3,67,792
4.	Surplus: Statement of Profit & Loss Account (O B)		
	4,81,02,623		4,29,76,194
	Add/(Less) : Income Tax of earlier 2011-12 (1,96,040)		-
	Add/(Less) : I.T Refund 2006-07 written off (84,651)		(84,135)
	Add : Profits for year	4,78,21,932	4,28,92,059
		<u>74,97,864</u>	<u>81,39,225</u>
		5,53,19,796	5,10,31,284
	Less: Proposed Dividend	40,20,000	25,20,000
	Share in Proposed Dividend on subsidiary Co. (14,99,970)		-
	Tax on Proposed Dividend	6,83,199	4,08,807
	General Reserves	1,79,700	
		<u>33,82,929</u>	
	Balance at the end of the year (CB)	5,19,36,867	4,81,02,477
	Total	6,62,14,759	6,22,00,669



B.N.RATHI SECURITIES LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2013

Note : 3. Long Term Borrowings

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Loan Repayable on Demand Long Term Loan from HDFC Bank (On security of Fixed Deposits as Margin Security)	25,00,000	25,00,000
	Total	25,00,000	25,00,000

Note : 4. Other Long Term Liabilities

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Deposits for VSAT	87,332	95,696
2.	Clients Margin Deposits	1,14,71,570	1,37,66,977
	Total	1,15,58,902	1,38,62,673

Note : 5. Other Long Term Liabilities

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	HDFC Bank Over Draft against FD	39,53,077	-
	Total	39,53,077	-

Note : 6. Trade Payables

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Total Outstanding Dues of Creditors		
a)	Creditors - Clients	9,86,78,067	6,98,76,669
b)	Creditors - Services & Suppliers	68,62,745	59,58,034
c)	Initial Margin - IL&FS	-	2,67,00,858
	Total	10,55,40,812	10,25,35,561

Note : 7. Other Current Liabilities

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Unpaid Dividend	13,07,043	13,13,735
2.	Outstanding Liabilities	23,58,864	34,59,364
	Total	36,65,907	47,73,099

Note : 8. Short Term Provisions

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Provision for Taxation	32,94,934	24,59,679
2.	Proposed Equity Dividend	25,20,030	25,20,000
3.	Corporate Dividend Tax	6,83,199	4,08,807
	Total	64,98,163	63,88,486



B.N.RATHI SECURITIES LIMITED

Note :9. Fixed Assets Fixed Assets

Sr. No	Particulars	Rate %	Gross Block			Depreciation			Net Block	
			Value at the beginning	Addition During theyear	Value at the end	Value at the beginning	Addition During theyear	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012
I	Tangible Assets									
	Plant & Equipment	40.00%	6262426	18750	6452176	5176018	473679	5649698	802479	1086408
	Air Conditioner	13.91%	864912	36800	901712	375440	71199	446639	455073	489472
	Photo Copier	20.00%	127000	-	127000	90688	7260	97950	29050	36312
	VSAT's	13.91%	3355324	-1263778	2091546	1798355	216574	2014929	76617	1556969
	Furnitures & Fixtures	18.10%	6543589	-	6543589	2925292	654911	3580204	2963385	3618297
	Office Equipments	18.10%	2440709	40300	2481009	1451414	185161	1636575	844434	989295
	Vehicles(Cars)	25.89%	2357217	-	2357217	1286714	277153	1563867	793350	1070503
	Generator	13.91%	295920	-	295920	124736	23812	148548	147372	171184
	Sub Total (A):		22247097	-996928	21250169	13228658	1909753	15138410	6111759	9018440
II	Intangible Assets									
	Computer Software	40.00%	2431257	14280	2445537	1567555	347609	1915164	530373	863702
	Sub Total (B):		2431257	14280	2445537	1567555	347609	1915164	530373	863702
	Total : (Current Year)		24678354	-982648	23695706	14796213	2257362	17053574	6642132	9882142
	Previous Year		20910716	3767639	24678354	12311678	2484535	14796213	9882142	8599038



B.N.RATHI SECURITIES LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2013

Note : 10. Deferred Tax Assets (Net)

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Deferred Tax Asset on account of		
a)	Opening Balance	71,957	5,232
b)	Add/(Less): Provision related to fixed assets	1,29,759	66,725
	Total	2,01,716	71,957

Note : 11. Long Term Loans and Advances

Sr. No	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
I	Unsecured, Considered good		
	Capital Advances		
	Property pending registration & Possession	14,74,864	-
II	Security Deposits		
	Secured, Considered Good :		
a)	NSE - Interest free Security Deposit	41,00,000	41,00,000
b)	NSCCL- Interest free Security Deposit	9,00,000	9,00,000
c)	NSE Derivatives Segment Deposit	8,00,000	8,00,000
d)	BSE Trading Member Deposit	1,00,00,000	1,00,00,000
e)	NSE - VSAT Deposit	1,00,000	2,00,000
f)	B S E M em beshp Security D eposit	5,00,000	5,00,000
g)	BSE Base Capital adequacy Deposit	5,00,000	5,00,000
h)	BSE Brokers contingency Fund	2,50,000	2,50,000
i)	BSE-VSAT Deposit	2,50,000	2,50,000
j)	NSE Currency Derivatives Segment Deposit	2,00,000	2,00,000
k)	NSE SPOT -DP Deposit	1,00,000	1,00,000
l)	VSAT Deposit-MCX SX	55,150	55,150
m)	ILFS BSE Margin Deposit	2,00,000	-
n)	Admission DEPOSIT - MCX STOCK EXCHANGE	10,00,000	-
o)	MCX Stock Exchange Security Deposit	21,00,000	-
p)	ILFS Security Deposit for internal margin	3,00,00,000	-
q)	MCX- (interest free)Security Deposit	15,00,000	15,00,000
r)	MCX- Membership fee	20,00,000	20,00,000
s)	NCDEX-Membership Deposit	5,00,000	5,00,000
t)	NCDEX-Interest free Security Deposit	15,00,000	15,00,000
u)	NSEL-Membership Deposit	7,50,000	7,50,000
III	Loans and Advance to related parties		
	Rental Deposits	16,00,000	-
	(Refer note on related party)		
IV	Other Loans & Advances		
	Receivables		
a)	Brokerage receivable	3,30,889	-
b)	NSEIL- TDS Receivable	1,08,112	-
c)	Transaction Charges receivable	21,298	-
d)	Input Credits - Service tax	3,84,842	-
	Deposits		
a)	Lease Line Deposit	2,00,000	2,00,000
b)	Secunderabad Club -Deposit	2,50,000	3,00,000
c)	Rent deposits-Others	2,03,500	3,02,500
d)	Other Deposits	1,64,014	1,58,014
e)	Income Tax Refundable	2,54,889	3,39,540
	Total	6,22,97,558	2,54,05,204



B.N.RATHI SECURITIES LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2013

Note : 12. Other Non Current Assets

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Other Non Current Assets		
	a) Preliminary Expenses	1,33,565	-
	b) Pre Operative Expenses	21,854	-
	Total	1,55,419	-

Note : 13. Stock-In-Trade

Sr. No.	Particulars		Current Year 31.03.2013	Previous Year 31.03.2012
	Stock-in-Trade (Stock-in-Trade Valued at cost)			
A	Listed			
	c) Rohit Ferro		-	3,77,280
	d) Vijay Textile	12,821	3,17,676	2,67,748
	Total: A		<u>3,17,676</u>	<u>6,45,028</u>
B	Aggregate market value of listed shares		<u>1,19,235</u>	<u>5,53,000</u>
	Un - Listed			
	a) Mahesh Vidya Bhavan Ltd	20,000	2,00,000	2,00,000
	b) Hyderabad Stock Exchange Ltd	10,000	10,000	10,000
	c) HSE Securities Ltd	10,000	1,00,000	1,00,000
	d) Bombay Stock Exchange Ltd	400	1,00,000	1,00,000
	e) Sevenhills Co-op Bank Ltd	5,000	5,00,000	5,00,000
	Total: B		9,10,000	9,10,000
	Total (A+B)		12,27,676	15,55,028

Note : 14. Trade Recievables

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	More than six months Un-Secured, Considered Good	32,02,104	25,17,778
2.	Less than six months Un-Secured, Considered Good	2,29,97,110	2,60,79,400
	Total	2,61,99,214	2,85,97,178



B.N.RATHI SECURITIES LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2013

Note : 15. Cash & Cash Equivalents

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
A..	a) Bank Balances	2,55,95,221	1,97,52,744
	b) Cash-in - hand	25,730	22,253
	Sub Total : A	2,56,20,952	1,97,74,997
B.	Other Bank Balances		
	i) Earmarked Balances with Banks (Un-Claimed Dividend)	12,99,279	13,13,735
	ii) Bank Fixed deposits with more than Twelve months maturity		
	(a) for Bank Guarantee	2,25,00,000	2,45,00,000
	(b) for Overdraft	2,17,96,172	3,17,96,172
	(c) for NSEIL - Currency Derivatives	8,00,000	8,00,000
	(d) for Bombay Stock Exchange india ltd	10,00,000	10,00,000
	(e) for NSCCL/IL&FS	1,25,00,000	1,25,00,000
	(f) for Margin - MCX	95,00,000	70,00,000
	(g) for Margin - NSEL	3,75,000	3,75,000
	Sub Total :B	6,97,70,451	7,92,84,907
	Total :A+B	9,53,91,403	9,90,59,904

Note : 16. Short Terms Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Unsecured considered good		
1.	Advance Income tax & TDS	34,22,729	36,40,780
2.	Staff Advance	2,58,500	53,351
3.	Other Advances	33,030	-
4.	Prepaid expenses	4,21,636	5,37,510
5.	Receivables	70,769	-
	Total	42,06,664	42,31,641

Note : 17. Other Current Assets

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	(i) Additional Base Capital with NSE	6,00,000	25,00,000
	(ii) Initial Margin Deposit with IL&FS for F&O/BSE/CDX	45,00,000	2,68,00,000
	(iii) Additional Margin with - MCX	70,00,000	60,00,000
	(iv) Additional Margin - NCDEX	1,25,00,000	1,00,00,000
	(v) Additional Margin -NSEL	8,75,000	8,75,000
	(vi) Accrued Intrest on FDRs	33,35,516	24,82,777
	Total : (A+B+C)	2,88,10,516	4,86,57,777



B.N.RATHI SECURITIES LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2013

Note. 18. Revenue from Operations

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Sale of Services Brokerage	7,00,50,540	6,47,51,783
2	Other Operating Revenues Other Charges Received Income from DP Operations	1,18,85,804 24,81,051	46,41,971 74,49,486
	Total	8,44,17,395	7,68,43,240

Note : 19. Other Income

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Interest on BSE Membership Deposit	1,11,514	1,36,259
2	Interest on Bank Fixed Deposits	77,63,531	64,01,640
3	Interest on IL&FS - Margin Deposits	21,78,486	23,64,195
4	Dividend Income	56,583	4,020
5	Profit on stock in Trade/Investment	8,80,796	6,83,400
6	Brokerage Newissues	13,696	48,707
7	Other Income	33,92,907	17,17,250
8	Other Income (Bad Debts writtenoff)	-	1,50,000
	Total	1,43,97,513	1,15,05,471

Note : 20. Employment Benefit Expenses

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Managerial Remuneration	22,20,000	22,20,000
2	Salaries & Allowance	1,00,53,751	1,03,13,878
3	Medical Reimbursement	1,01,800	97,136
4	Provident Fund Contribution	5,52,887	5,97,426
5	Staffwelfare	1,21,573	1,23,433
6	Bonus & Gratuity	7,75,638	5,49,733
	Total	1,38,25,649	1,39,01,606

Note : 21. Financial Cost

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Interest Paid	17,89,275	26,85,278
2	Bank Gurantee Charges	4,32,160	5,60,347
	Total	22,21,435	32,45,625

**B.N.RATHI SECURITIES LIMITED****Notes on Consolidated Financial Statements for the year ended March 31, 2013****Note : 22. Other Administrative Expenses**

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Rent, Rates & Taxes	23,32,207	27,05,981
2	Printing & Stationery	5,47,235	9,01,175
3	Postage & Courier Charges	3,21,221	4,74,095
4	Conveyance	44,334	26,934
5	Travelling Expenditure	2,03,357	1,94,759
6	Telephone charges	7,10,465	5,20,514
7	Advertisement Expenses	96,450	72,816
8	Audit Fee		
	(a) Statutory Audit	54,000	54,000
	(b) Tax Services	15,000	15,000
	(c) Other Services	1,91,250	2,22,277
9	Internal Audit fee	1,22,000	1,22,000
10	Registrar and Share Transfer Agency Charges	78,000	36,309
11	VSAT Charges	2,13,262	3,85,055
12	Transaction Charges	1,31,29,689	96,91,178
13	Subscription & Membership fee	4,16,069	3,48,835
14	Annual Maintanance Charges	9,33,554	8,86,382
15	Professional & Consultancy Fee	8,31,682	8,03,500
16	Listing & Filing/Reg. & Renewals	1,54,217	3,48,204
17	Directors Sitting fee	69,000	55,000
18	Electricity Charges	6,07,814	4,71,027
19	Generator Maintanance charges	85,894	54,557
20	Vehicle Maintenance	4,07,058	3,53,861
21	Office Maintenance	2,15,689	2,75,635
22	Repairs & Maintenance	2,49,369	1,43,123
23	Stock Exchange & SEBI fee (Includes fines Rs.10,000/-)	1,83,445	2,99,733
24	Business Promotion	1,67,660	2,59,324
25	Bank Charges	11,306	29,755
26	Insurance	59,837	75,745
27	Legal Expenses	2,648	1,19,665
28	Leased Line charges	7,73,086	6,15,443
29	Bad debts written off	6,148	57,727
30	Donations	1,21,000	78,600
31	Other expenses	3,70,895	53,603
32	Consideration Fee	2,00,000	-
33	Gifts	45,281	15,332
	Total	2,39,70,124	2,07,67,143

23. Contingent Liability :

On behalf of the company and its subsidiary, HDFC Bank & AXIS Bank have given Bank Guarantees of Rs. 390 Lakhs (Previous year Rs.540 Lakhs) to NSCCL, BSE, MCX and NCDEX.



B.N.RATHI SECURITIES LIMITED

24. As required by Accounting Standard 20 Earning Per Share issued by Institute of Chartered accountants of India (ICAI) .basic earning per share has been calculated by dividing net profit after tax weighted average number of equity shares outstanding during the year as per details given below:

	Current Year 2012-2013	Previous Year 2011-2012
Profit as per Profit and Loss Account	83,50,837	81,39,225
Weighted average number of shares used in	25,20,000	25,20,000
Computing basic earning per equity share		
Basic & Diluted earning per share	3.31	3.23
(On nominal value of Rs 10/- per share)		

25. Other significant Accounting Policies & Notes to Accounts:

These are set out in the significant Accounting policies and Notes to Account of the Financial Statements of the company and its Subsidiary Company.

26. Figures of the previous year have been regrouped or re-arranged wherever Considered necessary.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS:

1. Basis of Preparation

The consolidated financial statements of B.N. Rathi Securities Limited and its subsidiary company M/s. B N Rathi Comtrade Private Limited are prepared under the historical cost convention applicable Accounting Standards and in accordance with the requirements of the Companies Act, 1956.

2. Principles of consolidation

The financial statements of B N Rathi Comtrade Private Limited are drawn up to the same reporting date as of the company. Comparative Previous year figures in the consolidated financial statements include the figures of M/s. B N Rathi Comtrade Private Limited. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary M/s. B N Rathi Comtrade Private Limited have been prepared on a line-by-line consolidation by adding together like items of assets, liabilities, income and expenses as per the audited financial statements of the respective companies.
- ii) Inter-company balances, transactions and unrealized profits / losses (if any) have been eliminated.
- iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statement.
- iv) Minority interest consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary company and further movements (if any) in their share in equity subsequent to the dates of investments.
- v) There is no short/ excess of cost to the Company of its investment in subsidiary company over its share of the equity of the subsidiary company. Hence there is no Goodwill or Capital Reserve on account of consolidation in the consolidated financial statements.



B.N.RATHI SECURITIES LIMITED

3. **TAXATION:** Current tax is determined on taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, 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. Deferred Tax assets on difference between WDV of assets as per Companies Act and Income tax Act is Rs. 2,01,716/-
-

As per our Report of even date

For KALYANDAS & CO.,
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 29.05.2013
Place: Hyderabad

For and on behalf of the Board

LAXMINIVAS SHARMA
CHAIRMAN

HARI NARAYAN RATHI
MANAGING DIRECTOR



B N RATHI COMTRADE PRIVATE LIMITED

DIRECTORS' REPORT

To
The Members of
M/s. B N RATHI COMTRADE PRIVATE LIMITED

Yours Directors have Pleasure in presenting the 5th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2013

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2013 are summarised as under:

	(Rs. In Lakhs)	
	<u>2012-13</u>	<u>2011-12</u>
Total Income	366.14	258.99
Total Expenditure	314.68	198.05
Profit before Tax	51.46	60.91
Provision for Taxation	15.52	18.44
Profit after Tax	35.94	42.47
Provision for proposed equity dividend	15.00	-
Provision for corporate Dividend Tax	2.55	-
Balance Carried to Balance Sheet	18.39	42.47

OPERATIONS:

The performance of the Company during the year under review has been satisfactory. The Company is presently operating on commodities business through MCX, NCDEX and National Spot Exchange Limited.

DIVIDEND:

Your Directors are pleased to recommend a Dividend of Re. 1.50 per share i.e., @ 15% on the Paid up Equity Share Capital of the Company in respect of the financial year 2012-13. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 17.55 lakhs, for which necessary provision has been made in the accounts.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

The information pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable. The particulars regarding income and expenditure in Foreign Currency is nil.

PARTICULARS OF EMPLOYEES:

None of the employees is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors report for the year ended 31st March, 2013.

AUDITORS:

M/s. Kalyandas & Co., Statutory Auditors, retire at the conclusion of the 5th Annual General Meeting and being eligible offers themselves for re-appointment for the financial year 2013-2014.



B N RATHI COMTRADE PRIVATE LIMITED

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956, Directors of your Company hereby state and confirm.

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the directors had 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 loss of the company for that period.
- (iii) That the directors had 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.
- (iv) That the directors had prepared the annual accounts on a going concern basis.

PERSONNEL:

The relations between the management and the staff were very cordial throughout the year.

ACKNOWLEDGMENT:

The Board desires to place on record its sincere appreciation for the support and co-operation that the company received from the strategic partners, bankers, auditors, and all others associated with the company. The company has always looked upon them as partners in its progress. It will be the company's endeavour to build and nurture strong links with trade based on mutuality, respect and co-operation.

For B N Rathi Comtrade Private Limited

Place : Hyderabad

Date : 27.05.2013

Chetan Rathi
DIRECTOR

Nisha Rathi
EXECUTIVE DIRECTOR



B N RATHI COMTRADE PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of
B.N. Rathi Comtrade Private Limited,

We have audited the accompanying financial statements of M/s B.N.RATHI COMTRADE PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit & 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. 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.

Auditors' 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. 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 31st March, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows 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 the Annexure a statement on 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 N RATHI COMTRADE PRIVATE LIMITED

- 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **KALYANDAS & CO.,**
Chartered Accountants
Firm Regd. No. 001677S

Place: Hyderabad
Date : 27.05.2013

(G. KALYANDAS)
Partner
Membership No.7102

ANNEXURE TO THE INDEPENDENT AUDIT REPORT of B.N.RATHI COMTRADE PRIVATE LTD
(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we further report the matters to the extent applicable as under:

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at the year end and no serious discrepancies were noticed on such verification. No Fixed Assets disposed off during the year and therefore do not affect the going concern assumption.
- 2) In our opinion the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification. As per the information and explanations given to us, the company did not held any Inventory during the year.
- 3) a) The Company has not granted secured or unsecured loan to companies, firms or other parties covered in the register maintained under section 301 of the Act.



B N RATHI COMTRADE PRIVATE LIMITED

- b) The Company has not obtained unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act. However during the year the company has obtained unsecured loan of Rs.40 Lakhs (Interest Free) obtained from the Holding Company M/s. B. N. Rathi Securities Limited and the same has been repaid.
- 4) In our opinion there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of stock and services requires Improvement. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.
 - 5) In our opinion and according to the explanation given to us, the particulars of Contracts or arrangements required to be entered in the register under Section 301 of the Companies Act, 1956 have been entered and transactions aggregating during the Financial year to Rupees Five Lakhs or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such securities or the prices at which transactions for similar securities or services have been made with other parties. During the year, the company has paid Rs.5.00 lakhs towards Rental Deposit (Interest free) for Registered Office (Hyderabad) to the owner Smt. Chanda Devi Rathi a related party.
 - 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant Provisions of the Companies Act, 1956 and the Rules framed there under.
 - 7) The Company does not have system of internal audit.
 - 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.
 - 9) The Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Income Tax, Service Tax and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31st March, 2013 for a period of more than six months from the date they become payable.
 - 10) The Company has no accumulated losses as at 31st March, 2013 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
 - 11) The Company has not defaulted in repayment of dues to any financial institutions or banks.
 - 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - 13) The Company is not a chit fund, nidhi or mutual benefit fund/society.
 - 14) The Company is a Member of MCX and NCDEX, renders services for investors in purchase and sale of commodities. The Company has maintained proper records of the transactions and timely entries have been made therein.
 - 15) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions.



B N RATHI COMTRADE PRIVATE LIMITED

- 16) The Company has not obtained any term loans during the year
- 17) On the basis of our examinations of the books of account and the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **KALYANDAS & CO.**,
Chartered Accountants
Firm Regd. No. 001677S

Place: Hyderabad
Date : 27.05.2013

(G. KALYANDAS)
Partner
Membership No.7102

**B N RATHI COMTRADE PRIVATE LIMITED****Balance Sheet as at March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	1,00,00,000	1,00,00,000
(b) Reserves and Surplus	2	88,62,548	70,72,870
2. Non- Current Liabilities			
(a) Deferred Tax Liabilities (Net)		-4,982	33,397
(b) Long Term Liabilities	3	3,68,575	3,06,401
3 Current Liabilities			
(a) Short Term Borrowings	4	39,53,077	-
(b) Trade Payables	5	4,44,13,636	3,58,94,344
(c) Other Current Liabilities	6	15,75,502	7,77,383
(d) Short-Term provisions	7	33,44,914	18,27,248
Total		<u>7,25,13,270</u>	<u>5,59,11,643</u>
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangable Assets	8	26,21,883	31,85,434
(ii) In tangible Assets		-	-
(b) Long term loans and advances	9	67,55,000	62,50,000
2. Current Assets			
(a) Trade receivables	10	1,14,00,531	82,05,577
(b) Cash and cash equivalents	11	2,85,67,023	18745935
(c) Short-term loans and advances	12	17,24,017	19,34,789
(d) Other Current assets	13	2,14,44,816	1,75,89,908
Total		<u>7,25,13,270</u>	<u>5,59,11,643</u>

Notes from an integral part of balance sheet as at 31st March,2013

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

G. KALYANDAS

Membership No.7102

Partner

Date : 27.05.2013

Place: Hyderabad

For and on behalf of the Board

CHETAN RATHI

DIRECTOR

NISHA RATHI

EXECUTIVE DIRECTOR

**B N RATHI COMTRADE PRIVATE LIMITED****Statement of Profit and Loss for the year ended March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I Revenue from operations	14	3,34,30,531	2,35,57,048
II Other Income	15	31,82,978	23,38,458
III Total Revenue (I+II)		<u>3,66,13,509</u>	<u>2,58,95,506</u>
IV Expenses			
Employee Benefit Expense	16	29,44,100	20,05,000
Finance Costs	17	1,49,123	1,09,054
Depreciation and Amortization Expense	18	6,75,651	3,25,651
Other Administrative Expenses	19	1,07,82,624	68,98,554
Sharing of Brokerage		<u>1,69,16,416</u>	<u>1,04,66,419</u>
Total Expenses		<u>3,14,67,914</u>	<u>1,98,04,678</u>
V Profit before tax (III - IV)		51,45,595	60,90,828
VI Tax expense			
(1) Current tax		15,89,989	18,27,248
(2) Deferred tax		-38,379	16,544
VII Profit for the Year		<u>35,93,985</u>	<u>42,47,036</u>
VIII Earning per equity share:			
(1) Basic		3.59	4.25
(2) Diluted		3.59	4.25

Notes To Accounts

Notes from an integral part of statement of profit & Loss

As per our Report of even date

For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

For and on behalf of the Board

CHETAN RATHI
DIRECTOR

G. KALYANDAS
Membership No.7102
Partner

Date : 27.05.2013
Place: Hyderabad

NISHA RATHI
EXECUTIVE DIRECTOR

**B N RATHI COMTRADE PRIVATE LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (Amount in Rs.000)**

PARTICULARS	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax as per statement of profit & Loss	5146	6091
Adjustments for:		
Depreciation	676	326
Interest expenses	26	15
Interest Income	-2091	-1629
Operating profit before working capital changes	3756	4803
Trade and other Receivable	-7206	-36600
Trade payable & other liabilities	9182	12177
Cash generated from operations	5732	-19620
Less : Direct Tax paid	-1560	-1954
NET CASH FLOW FROM OPERATING ACTIVITIES	4172	-21574
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-112	-2524
Bank Fixed Deposits with more than 12 months Maturity (net)	-8000	-375
Interest Received	1736	1466
NET CASH FLOW FROM INVESTING ACTIVITIES	-6376	-1433
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Short term borrowings - HDFC Bank Overdraft	3953	-
Interest paid	-26	-15
Amount payable to holding company B N Rathi Securities Ltd.	197	-
NET CASH USED IN FINANCING ACTIVITIES	4125	-15
Net Increase / (decrease) in cash and cash equivalents A+B+C	1921	-23022
Add : Cash and Cash equivalents at beginning of the year	1871	24893
Cash and Cash equivalents at the end of the year	3692	1871
Earmarked balance with banks		
Fixed Bank Deposits	24875	16875
Cash and Bank balance at the end of the year	28567	18746

Note : Previous Year's figures have been re-arranged and re-grouped where ever necessary.

Notes from an integral part of Balance Sheet as at 31st March,2013

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

G. KALYANDAS

Membership No.7102

Partner

Date : 27.05.2012

Place: Hyderabad

For and on behalf of the Board

CHETAN RATHI

DIRECTOR

NISHA RATHI

EXECUTIVE DIRECTOR



B N RATHI COMTRADE PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2013

Note : 1. Share Capital

	Current Year 31.03.2013	Previous Year 31.03.2012
Authorised 10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
Issued, Subscribed & Paid up 10,00,000 Equity Shares of Rs. 10/- each, Fully paid	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

A. Reconciliation of No of Equity Shares:

Particulars	As at 31st March.2013		As at 31st March.2012	
	No. of shares	Value Rs.	No. of shares	Value Rs.
1 Balance at the beginning of the year	1000000	1,00,00,000	1000000	1,00,00,000
2 Add: Shares Issued during the year	-	-	-	-
3 Balance at the end of the year	1000000	1,00,00,000	1000000	1,00,00,000

B. Shares Held by the holding Company

Name of the share holder	As at 31st March.2013		As at 31st March.2012	
	No. of shares held	%of Holding	No. of shares held	%of Holding
M/s B N Rathi Securities Ltd	9,99,980	99.99	9,99,980	99.99

The Company has only one class of equity shares having a per value of Rs.10/- per share Each Shareholder is eligible for one vote per shares. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

C. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the share holder	As at 31st March.2013		As at 31st March.2012	
	No. of shares held	%of Holding	No. of shares held	%of Holding
M/s B N Rathi Securities Ltd	9,99,980	99.99	9,99,980	99.99

Note : 2. Reserve & Surplus

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	General Reserves - Opening Balance	-	-
	Add: Transferred from Surplus in statement of P&L	1,79,700	-
2.	Surplus: Profit & Loss Account	70,72,870	28,66,371
	Add/(Less):Income tax of earlier	(49,382)	(40,537)
	Add: Profit for the year	35,93,985	42,47,036
		<u>1,06,17,473</u>	<u>70,72,870</u>
	Less :Appropriations		
	Proposed dividend	15,00,000	-
	Tax on proposed dividend	2,54,925	
	General Reserves	1,79,700	
		<u>19,34,625</u>	<u>-</u>
	TOTAL	88,62,548	70,72,870

**B N RATHI COMTRADE PRIVATE LIMITED****Notes on Financial Statements for the year ended March 31, 2013****Note : 3. Other Long term Liabilities**

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Clients Margin Deposits	3,68,575	3,06,401
	Total	3,68,575	3,06,401

Note : 4. Short Term Borrowings

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	HDFC Over Draft against FD	39,53,077	-
	Total	39,53,077	-

Note : 5. Trade Payables

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Total Outstanding Dues to Creditors		
a)	Creditors - Clients	4,30,16,493	3,41,55,808
b)	Creditors - Suppliers and Services	13,97,143	17,38,537
	Total	4,44,13,636	3,58,94,344

Note : 6. Other Current Liabilities

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Due to Holding Co. B N Rathi Securities Limited	1,97,475	-
2.	Outstanding Liabilities	13,78,027	7,77,383
	Total	15,75,502	7,77,383

Note : 7. Short Term Borrowings

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Provision for Taxation	15,89,989	18,27,248
2.	Proposed Equity Dividend	15,00,000	-
3.	Corporate Dividend Tax	2,54,925	-
	Total	33,44,914	18,27,248



Note : 8. Fixed Assets **Notes on Financial Statements for the year ended March 31, 2013**
Fixed Assets

Sr. No	Particulars	Gross Block			Depreciaton			Net Block	
		Value at the beginning	Addition During theyear	Value at the end	Value at the beginning	Addition During theyear	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012
1	Tangible Assets								
	Computer	2,99,651	35,000	3,34,651	79,258	1,00,201	1,79,459	1,55,192	2,20,393
	Air Conditioner	14,877	36,800	51,677	2,221	4,874	7,095	44,582	12,656
	Photo Copier	-	-	-	-	-	-	-	-
	VSAT's	124,000	-	124,000	35,004	12,379	47,383	76,617	88,996
2	Furnitures & Fixtures	23,86,191	-	23,86,191	76,592	4,18,037	4,94,629	18,91,462	23,09,599
3	Office Equipment	1,37,161	40,300	1,77,461	17,584	27,742	45,326	1,32,135	1,19,577
4	Vehicles	6,09,216	-	6,09,216	1,75,003	1,12,418	2,87,421	3,21,795	4,34,213
	Total : (Current Year)	35,71,096	1,12,100	36,83,196	3,85,662	6,75,651	10,61,313	26,21,883	31,85,434
	Previous Year	10,47,486	25,23,610	35,71,096	60,011	3,25,651	60,011	3,85,662	9,87,475



B N RATHI COMTRADE PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2013

Note : 9. Long Term Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Un Secured, Considered good		
I	Security Deposits		
	a) MCX-(Interest free) Security Deposit	15,00,000	15,00,000
	b) MCX-Membership Fee	20,00,000	20,00,000
	c) NCDEX-Membership Deposit	5,00,000	500000
	d) NCDEX-Interest free Security Deposit	15,00,000	15,00,000
	e) NSEL-Membership Deposit	7,50,000	7,50,000
II	Loans and advance to related parties		
	f) Rent deposit (Refer note on related party)	5,00,000	-
III	Other loans and advance :		
	g) Telephone deposit	5,000	-
	Total	67,55,000	62,50,000

Note :10. Trade Recievables

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Less than six months		
	Un Secured, Considered good	1,14,00,531	82,05,577
	Total	1,14,00,531	82,05,577



B N RATHI COMTRADE PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2013

Note : 11. Cash & Cash Equivalents

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1.	Bank Balances	36,87,303	18,58,928
2.	Cash-in-hand	4,720	12,007
	Sub Total : A	36,92,023	18,70,935
3	Other Bank Balances		
	Bank fixed deposits with more than 12 months maturity		
	(a) for Bank Guarantee	75,00,000	45,00,000
	(b) for Overdraft	75,00,000	50,00,000
	(c) for Margin-MCX	95,00,000	70,00,000
	(d) for Margin-NSEL	3,75,000	3,75,000
	Sub Total:B	2,48,75,000	1,68,75,000
	Total (A+B)	2,85,67,023	1,87,45,935

Note : 12 Short Terms Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	Unsecured considered good		
1.	Income Tax & TDS	16,09,250	18,63,001
2.	Staff advance	3,000	8,500
3.	Prepaid expenses	1,11,767	63,288
	Total	17,24,017	19,34,789

Note : 13 Other current assets

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Additional Margin with-MCX	70,00,000	60,00,000
2	Additional Margin with -NCDEX	1,25,00,000	1,00,00,000
3	Additional Margin with -NSEL	8,75,000	8,75,000
4	Accrued Interest	10,69,816	7,14,908
	Total	2,14,44,816	1,75,89,908



B N RATHI COMTRADE PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2013

Note. 14. Revenue from Operations

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
	SALE OF SERVICES		
	Brokerage income	2,56,42,677	1,78,92,049
	OTHER OPERATING REVENUES		
	OTHER CHARGES RECEIVED	77,87,854	56,64,999
	Total:	3,34,30,531	2,35,57,048

Note : 15. Other Income

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Interest on bank fixed deposits	20,91,106	16,28,618
2	Profit on stock in Trade/Invesment	5,26,321	3,37,146
3	Odin Diet Network Charges	4,51,914	2,56,657
4	Other Income	1,13,637	1,16,037
	Total	31,82,978	23,38,458

Note : 16. Employment Benefit Expenses

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Managerial Remuneration	3,00,000	3,00,000
2	Salaries	24,74,100	16,56,000
3	Bonus	1,70,000	49,000
	Total	29,44,100	20,05,000

Note : 17. Financial Cost

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Interest on OD Facility	25,904	14,888
2	Bank Gurantee Charges	1,23,219	94,166
	Total	1,49,123	1,09,054

Note : 18. Depreciation & Amortization Expenses

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Depreciation	6,75,651	3,25,651
	Total	6,75,651	3,25,651

**B N RATHI COMTRADE PRIVATE LIMITED****Notes on Financial Statements for the year ended March 31, 2013****Note : 19. Other Administrative Expenses**

Sr. No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
1	Rent, Rates & Taxes	2,29,836	2,12,726
2	Printing & Stationery	1,44,975	1,46,017
3	Postage & Courier Charges	97,869	1,39,850
4	Consultancy fee	5,90,951	5,18,000
5	Travelling Expenditure	67,947	10,631
6	Telephone & Internet charges	2,72,466	1,95,082
7	Advertisement	15,000	5,000
8	Audit Fee		
	(a) Statutory Audit	14,000	14,000
	(b) Tax services	6,000	6,000
	(c) Other services	21,000	21,500
9	VSAT Charges	61,060	73,980
10	Transaction Charges	78,96,563	45,51,870
11	Annual Subscription & Membership fee	1,50,000	1,25,000
12	Annual Maintenance Charges	2,20,417	1,67,729
13.	Professional fee	25,000	6,000
14	Filing Fee	11,500	500
15	Electricity Charges	1,82,344	1,39,877
16	Generator Maintenance charges	24,657	16,367
17	Vehicle Maintenance	1,13,250	78,563
18	Office Maintenance	68,264	81,976
19	Repairs & Maintenance	25,336	6,957
20	Stock Exchange & SEBI fee	7,804	28,011
21	Insurance	13,057	20,531
22	Business Promotion Expenses	78,476	99,630
23	Donations	1,21,000	71,000
24	Leased Lines Charges	1,98,257	1,46,817
25	Misc Expenses	9,013	14,940
26	Franking charges	65,058	-
27	Odin Diet Licenses Fee	51,524	-
	Total	1,07,82,624	68,98,554

20. The Company has not paid remuneration to any of its employees exceeding Rs 24,00,000/- per annum or Rs 2,00,000/- per month as the case may be .

21 Contingent Liability:

on behalf of the Company.HDFC Bank have given Bank Guarantees of Rs.150 Lakhs (Previous Year Rs. 90 Lakhs) to MCX AND NCDEX .

22. Provision for Income tax is Rs 15,89,989/- made for the year.



B N RATHI COMTRADE PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2013

23. Related Party Disclosure:

Key Management Personnel : Nisha Rathi

Relatives of Key Management Personnel:

Sri Badri Narayan Rathi Grand Father of Nisha Rathi

Smt.Chanda Devi Rathi Mother In Law of Nisha Rathi

Sri Chetan Rathi Husband of Nisha Rathi

Holding : M/s B N Rathi Securities Limited

Related Party Transactions during the year 2012-2013

(Amount in Rupees)

Particulars	Enterprises having common key management personnel	Key management personnel	Relatives of key management personnel	Total
Rent Deposit	-	-	500000	500000
Rent paid	-	-	183000	183000
Remuneration	-	300000	-	300000
Services rendered	817603	-	23959	841562

24. Figures of the previous year have been regrouped or re-arranged wherever Considered necessary.

Significant Accounting Policies

- A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:** The Financial Statements are prepared on historical cost convention, on going concern basis, on accrual basis and in accordance with the applicable accounting standards.
- B. INCOME/ EXPENSES:** Items of Income and Expenditure are on accrual basis subject to notes on accounts.
- C. FIXED ASSETS:** Fixed Assets are valued at cost less accumulated depreciation
- D. DEPRECIATION:** Depreciation on fixed assets has been provided on Written Down Value Method as per the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.
- E. INVESTMENTS:** The company has not made any Investments during the year.
- F. SUBSIDIARY:** The Company is the subsidiary of B N Rathi Securities Limited

vide our separate report of even date

KALYANDAS & CO.,

Firm Regd. No. 001677S

Chartered Accountants

G. KALYANDAS

Membership No.7102

Partner

Date : 27.05.2013

Place: Hyderabad

For and on behalf of the Board

CHETAN RATHI

DIRECTOR

NISHA RATHI

EXECUTIVE DIRECTOR



B N RATHI INDUSTRIES PRIVATE LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 1st Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2013.

OPERATIONS:

The Company expects commencement of business during the present financial year.

DIVIDEND:

Your Directors have not recommended any dividend for the financial year 2012-13..

DIRECTORS:

Shri Hari Narayan Rathi, Mr. Chetan Rathi, and Mrs. Chanda Devi Rathi are the Directors of the company.

AUDITORS:

The Auditors of the Company M/s. Kalyandas & Co. Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The company has also received a certificate from them under Section 224 (1-B) of the Companies Act, 1956.

AUDITOR'S REPORT:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2013 and has noted that the same does not have any reservation, qualification or adverse remarks.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEES:

As the Company is not having any employee during the year under review, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

**For and on behalf of the Board
B. N. RATHI INDUSTRIES PRIVATE LIMITED**

Date : 27.05.2013
Place: Hyderabad

CHANDA DEVI RATHI
DIRECTOR



B N RATHI INDUSTRIES PRIVATE LIMITED

ANNEXURE TO THE DIRECTORS REPORT: DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year 31.03.2013 and of the profits of the company for that period;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts on a going concern basis.

STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

The information pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable. The particulars regarding income and expenditure in Foreign Currency are nil.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the valuable co-operation, support and assistance received from all the statutory authorities. Your Directors also acknowledge the continued support given by the valued and esteemed client and sub-brokers and the sincere and dedicated services of the employees of the Company at all levels

**For and on behalf of the Board
B. N. RATHI INDUSTRIES PRIVATE LIMITED**

Date : 27.05.2013
Place: Hyderabad

**CHANDA DEVI RATHI
DIRECTOR**



B N RATHI INDUSTRIES PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of
B.N.Rathi Industries Private Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of M/s B.N.RATHI INDUSTRIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information. The company was incorporated on 13.08.2012 and the financial statements are made from the date of incorporation to 31st March 2013.

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. 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.

Auditors' 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. 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 31st March, 2013;
- (b) in the case of the statement of Profit and Loss, nil for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



B N RATHI INDUSTRIES PRIVATE LIMITED

Report on Other Legal and Regulatory Requirements

1. In our opinion and according to information and explanations given to us, the company is not satisfying any of the requirements of the applicability of 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, hence our comments on the said Order are not required.
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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vide our separate report of even date
KALYANDAS & CO.,
Firm Regd. No. 001677S
Chartered Accountants

Date : 27.05.2013
Place: Hyderabad

G. KALYANDAS
Partner
Membership No.7102

**B N RATHI INDUSTRIES PRIVATE LIMITED****Balance Sheet as at March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.
I EQUITY AND LIABILITIES		
1. Shareholder's Funds		
(a) Share Capital	1	1,00,000
(b) Reserves and Surplus		
2. Non- Current Liabilities		
(a) Deferred Tax Liabilities (Net)		
(b) Other Long Term Liabilities		
(c) Long Term provisions		
(c) Short term provision		
3 Current Liabilities		
(a) Short Term Borrowings	2	50,000
(b) Trade Payables		
(c) Other Current Liabilities	3	11,236
(d) Short-Term provisions		
	Total	161236
II ASSETS		
1. Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets		
(ii) Intangible Assets		
(b) Non- Current Investments		
(c) Deferred tax assets (net)		
(b) Long term loans and advances		
(c) Other non-Current Assets	4	1,55,419
2. Current Assets		
(a) Current investments		
(b) Inventories		
(c) Trade receivables		
(d) Cash and cash equivalents	5	5,817
(e) Short-term loans and advances		
(c) Other Current Assets		
	Total	1,61,236

Notes Form an integral part of balance sheet as at 31st March,2013

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 27.05.2013
Place: Hyderabad

For and on behalf of the Board

CHANDA DEVI RATHI
DIRECTOR

CHETAN RATHI
DIRECTOR

**B N RATHI INDUSTRIES PRIVATE LIMITED****Statement of Profit and Loss for the year ended March 31, 2013**

Particulars	Note No	Figures as at the end of current reporting period Rs.
I Revenue from operations		-
II Other Income		-
III Total Revenue (I+II)		-
IV Expenses		
Employee Benefit Expense		-
Finance Costs		-
Depreciation and Amortization Expense		-
Other Administrative Expense		-
Total Expenses:		-
V Profit before tax (III - IV)		-
VI Tax expense:		
(1) Current tax		-
(2) Deferred tax Add/(less)		-
VII	Profit for the Year	-
VIII Earning per equity share:		
Basic		-
Diluted		-

Notes Form an integral part of balance sheet as at 31st March,2013

As per our report of even date

For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 27.05.2013
Place: Hyderabad

For and on behalf of the Board

CHANDA DEVI RATHI
DIRECTOR

CHETAN RATHI
DIRECTOR

**B N RATHI INDUSTRIES PRIVATE LIMITED****Cash flow statement for the year ended March 31, 2013****(Rs. in thousands)**

PARTICULARS	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit before tax as per statement of profit & Loss	-
Adjustments for:	
Depreciation	-
Interest expenses	-
Interest Income	-
Operating profit before working capital changes	-
Trade and other Receivable	-
Inventories	-
Trade payable & other liabilities	-
Cash generated from operations	-
Less : Direct Tax paid	-
NET CASH FLOW FROM OPERATING ACTIVITIES	-
B. CASH FLOW FROM INVESTING ACTIVITIES :	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issue of Equity Shares	100000
Short-term borrowings from Holding Company	50000
Preliminary & Pre Operative Expenses	(144183)
NET CASH USED IN FINANCING ACTIVITIES	(5817)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(5817)
Cash and Cash equivalents as at beginning of the year	-
*Cash and Cash equivalents as at end of the year	5817
Earmarked balance with banks	-
Fixed Bank deposits	-
Cash and Bank Balance at the end of the year	5817

Notes Form an integral part of balance sheet as at 31st March, 2013

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 27.05.2013
Place: Hyderabad

For and on behalf of the Board

CHANDA DEVI RATHI
DIRECTOR

CHETAN RATHI
DIRECTOR



B N RATHI INDUSTRIES PRIVATE LIMITED

Notes on Financial statement for the year ended March 31, 2013

Note : 1. Share Capital

	Current Year 31.03.2013
Authorised	
50,00,000 Equity Shares of Rs. 10/- each	50,00,000
Issued, Subscribed & Paid up	
10,000 Equity Shares of Rs. 10/- each, Fully paid	1,00,000
Total	1,00,000

The Company has only one class of equity shares having a per value of Rs.10/- per share Each Shareholder is eligible for one vote per shares.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the share holder	As at 31st March.2013	
	No. of shares held	%of Holding
B N Rath Securities Limited	9970	99.7

Note : 2.Shortterm Borrowings

Sr. No	Particulars	Current Year 31.03.2013
1.	Balance due to Holding Company (B N Rath Securities Limited)	50,000
	Total	50,000

Note : 3.Other Current Liabilities

Sr. No	Particulars	Current Year 31.03.2013
1.	Audit and professional Fee Payable	11,236
	Total	11,236

Note :4.Non Current Assets

Sr. No	Particulars	Current Year 31.03.2013
	Other Non Current Assets	-
1.	Preliminary Expenses	1,33,565
2.	Pre operative Expenses	
	a) Professional Fee	5,618
	b) Professional Tax	5,000
	c) Audit and professional Fee	11,236
	Total	1,55,419



B N RATHI INDUSTRIES PRIVATE LIMITED

Note : 5. Cash & Cash Equivalents

Sr. No	Particulars	Current Year 31.03.2013
1.	Balance with bank Bank Account	5,817
	Total	5,817

Note : 6. NOTES TO ACCOUNTS

Significant Accounting Policies and Notes on Accounts

1. Basis Of Accounting : NIL Profit and Loss Account has been prepared as the company has not started operation. The Accounts of the Company are prepared under the Historical Cost Convention on Accrual basis.
2. The company was incorporated on 13.08.2012. The figures are reported from the date of incorporation to 31.03.2013 and this been first year no previous year figures reported.
3. During the year, the company's 9970 Equity Shares are transfered infavour of M/s.B.N.Rathi Securities Limited Consequent to which our company become the subsidiary company of B. N. Rathi Securities Limited.
4. Contingent Liabilities: Nil

Notes Form an integral part of balance sheet as at 31st March,2013

As per our report of even date
For **KALYANDAS & CO.,**
Firm Regd. No. 001677S
Chartered Accountants

G. KALYANDAS
Membership No.7102
Partner

Date : 27.05.2013
Place: Hyderabad

For and on behalf of the Board

CHANDA DEVI RATHI
DIRECTOR

CHETAN RATHI
DIRECTOR



B.N.RATHI SECURITIES LIMITED

B.N.RATHI SECURITIES LIMITED

Regd. Off : 6-3-652, IV Floor "Kautilya" Amrutha Estates, Somajiguda,Hyderabad - 500082

ATTENDANCE SLIP

27th Annual General Meeting :

DP ID : _____

Name of Attending Member (Block Letters)

Client ID : _____

Regd.Folio No. _____

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company on Thursday 8th August 2013 at 10.30 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500 082

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

----- (TEAR HERE) -----

B.N.RATHI SECURITIES LIMITED

Regd. Off : 6-3-652, IV Floor "Kautilya" Amrutha Estates, Somajiguda,Hyderabad - 500082

FORM OF PROXY

I/We.....of.....

in the district ofbeing a member/members of the above named company hereby appointor failing himof

.....in the district ofas my/our proxy to vote for me/us on

my/our behalf at the 27thANNUAL GENERAL MEETING of the Company to be held on Thursday 8th August 2013 at 10.30 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500 082

Signed thisday2013

Signature.....

Affix Revenue Stamp

Regd. Folio No.....



**B.N. RATHI SECURITIES LIMITED**

Corporate Member : NSE, BSE & MCX-SX

Depository Participant of Central Depository Service (I) Ltd.

REGISTERED OFFICE : # 6-3-652, IV Floor "Kautilya"

Amrutha Estates, Somajiguda, Hyderabad - 500 082

Tel : 040 - 30527777, 30727777, Fax : 040 - 30526283

e-mail : bnrs@bnrsl.com, www. bnrsecurities.com

FORM A

1. Name of the Company	B.N. Rathi Securities Limited
2. Annual Financial Statements for the Year ended	31st March 2013
3. Type of Audit Observation	NIL
4. Frequency of Observation	Not Applicable

Signed by
For B.N. Rathi Securities LimitedHari Narayan Rathi
Managing DirectorFor KALYANDAS & CO.,
Chartered Accountants
Firm Reg No: 001677S
G Kalyandas
Partner
Membership No 7102Place: Hyderabad
Date: 29.05.2013