



**B. N. RATHI**  
**SECURITIES LIMITED**

**35<sup>th</sup> Annual Report**  
**2020-2021**

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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. Laxminiwas Sharma	- Non-Executive Chairman (DIN: 00010899)
Mr. K. Harishchandra Prasad	- Non-Executive & Independent Director (DIN: 00012564)
Mrs. Shanti Sree Bolleni	- Non-Executive & Independent Director (DIN: 07092258)
Mr. Hari Narayan Rathi	- Managing Director (DIN: 00010968)
Mr. Chetan Rathi	- Executive Director cum CFO (DIN: 00536441)

**COMPLIANCE OFFICER** - Mr. M.V. Rao

**COMPANY SECRETARY** - Ms. Gadila Sabitha Reddy

**REGISTERED OFFICE**

6-3-652, IV Floor, Kautilya,  
Amrutha Estates, Somajiguda, Hyderabad,  
Telangana - 500 082. Ph. No. 040-40527777  
Fax : 40526283

**STATUTORY AUDITORS**

Seshachalam & Co.,  
Chartered Accountants  
1-11-256, Street No.1,  
Wall Street Plaza, 6th Floor,  
Lane Adjacent to Begumpet AirPort  
Begumpet, Hyderabad - 500016.

**SECRETARIAL AUDITORS**

S.S. Reddy & Associates  
Practicing Company Secretaries  
Plot No.8-2-603/23/3 & 8-2-603/23, 15, 2nd Floor, HSR Summit,  
Banjara Hills, Road No. 10, Beside No.1 News Channel Office, Hyderabad-500 034.

**BANKERS**

HDFC Bank Ltd.  
ICICI Bank Ltd.  
State Bank of India

**AUDIT COMMITTEE**

Mr. Laxminiwas Sharma	- Chairman
Mr. K. Harishchandra Prasad	- Member
Mrs. Shanti Sree Bolleni	- Member
Mr. Hari Narayan Rathi	- Member

**NOMINATION & REMUNERATION COMMITTEE**

Mr. K. Harishchandra Prasad	-	Chairman
Mr. Laxminiwas Sharma	-	Member
Mrs. Shanti Sree Bolleni	-	Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mrs. Shanti Sree Bolleni	-	Chairperson
Mr. Laxminiwas Sharma	-	Member
Mr. K. Harishchandra Prasad	-	Member
Mr. Chetan Rathi	-	Member

**RISK MANAGEMENT COMMITTEE**

Mr. K. Harishchandra Prasad	-	Chairman
Mrs. Shanti Sree Bolleni	-	Member
Mr. Chetan Rathi	-	Member

**INDEPENDENT DIRECTORS**

Mr. Laxminiwas Sharma  
Mr. K. Harishchandra Prasad  
Mrs. Shanti Sree Bolleni

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. KFIN Technologies Private Limited,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032.  
Toll free No. 1800 309 4001

**LISTED AT** : BSE Limited

**DEMAT ISIN NUMBER IN NSDL & CDSL** : INE710D01010

**WEBSITE** : [www.bnrsecurities.com](http://www.bnrsecurities.com)

**INVESTOR E-MAIL ID** : [investorgrievances@bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com)

**CORPORATE IDENTITY NUMBER** : L65993TG1985PLC005838



## **NOTICE**

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of B.N. Rathi Securities Limited will be held on Wednesday 11th day of August, 2021 at 10.00 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2021, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2021.
3. To appoint a director in place of Mr. Chetan Rathi (DIN: 00536441) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **4. RE-APPOINTMENT AND REVISION OF REMUNERATION OF MR. CHETAN RATHI(DIN: 00536441) AS WHOLETIME DIRECTOR CUM CFO OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, as amended from time to time, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Chetan Rathi (DIN: 00536441) as the Whole-time Director of the Company, for a period of 3 (three ) years with effect from 1st April, 2021 to 31st March, 2024 upon the terms & conditions of re-appointment including the payment of remuneration, perquisites & other benefits and including the remunerations to be paid in any financial year during the tenure of his re-appointment, as per the terms and conditions as recommended by the Nomination and remuneration committee in their meeting held on 12.02.2021 as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

**"RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits".

**"RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. Chetan Rathi, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time".



**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**5. RE-APPOINTMENT AND REVISION OF REMUNERATION OF MR. HARI NARAYAN RATHI (DIN: 00010968) AS MANAGING DIRECTOR OF THE COMPANY:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, as amended from time to time, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Hari Narayan Rathi (DIN: 00010968) as the Managing Director of the Company, for a period of 3 (three) years with effect from 1st October, 2021 to 30th September, 2024 upon the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remunerations to be paid in any financial year during the tenure of his re-appointment, as per the terms and conditions as recommended by the Nomination and remuneration committee in their meeting held on 25.05.2021 as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

**“RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites and allowances etc. within such prescribed limits”.

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. Hari Narayan Rathi, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**6. TO APPROVE FOR CONTINUATION OF CURRENT TERM OF MR. LAXMINIWAS SHARMA (DIN: 00010899) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR:**

To consider and if thought fit, pass with or without modification(s), the following resolutions as Special Resolution:

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and relevant rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members of the Company be and is hereby accorded to continue Mr. Laxminiwas Sharma, who attains the age of 75 years in the month of February 2022 and who was



appointed as Independent Non-Executive Director (DIN: 00010899) by special resolution in the AGM held on 09.08.2018 to hold office till five consecutive years for a term from 01.04.2019 to 31.03.2024.”

**RESOLVED FURTHER THAT** Mr. Hari Narayan Rathi, Managing Director be and is hereby authorized to do all such deeds necessary and incidental thereto including filing of requisite forms with Registrar of Companies, Telangana, Hyderabad.”

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

**Sd/-  
Laxminiwas Sharma  
Chairman  
DIN: 00010899**

**Place : Hyderabad  
Date : 25.05.2021**

**NOTES:**

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with SEBI Circular No. 20/2020 dated May 05, 2020 and extended circular dated January 15, 2021, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM for the Financial year 2020-2021.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business 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 5th August, 2021 to 11th August, 2021 (including both days).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within a period of 30 days to those members whose name appear as:
  - a) Beneficial Owners as on 4th August, 2021 on the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
  - b) Members in the Register of Members of the Company after giving effect to valid share transfer in the physical form lodged with the Company on or before 4th August, 2021
6. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
7. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar Card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. KFIN Technologies Private Limited.)



8. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. KFIN Technologies Private Limited, Share Transfer Agents of the Company for their doing the needful.
9. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
10. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission/transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
11. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/ RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, which extended vide SEBI circular dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
13. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2020- 21 will also be available on the Company's website [www.bnrsecurities.com](http://www.bnrsecurities.com) for their download. For any communication, the shareholders may also send requests to the Company's investor email id: [investorgrievances@bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com).
14. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 35th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
15. e-AGM: Company has appointed M/s KFIN Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
- 16. Pursuant to the provisions of the circulars of AMC on the VC/OVAM (e-AGM):**
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.





17. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
18. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
19. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
20. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

#### **PROCEDURE FOR REMOTE E-VOTING**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

- iv. The remote e-Voting facility will be available during the following period

Commencement of remote e-voting: From 9.00 am (IST) on Sunday, 8th August, 2021.

End of remote e-voting: At 5.00 p.m. (IST) on Tuesday, 10th August, 2021.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked thereafter by the e-voting service providers. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires



shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to Kfintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

- I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b></p> <ul style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ul> <p><b>2. User not registered for IDeAS e-Services</b></p> <ul style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ul>



	<p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in points 1</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.</p> <p>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your dematAccount Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the dematAccount.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</p>

Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – <b>Kfintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</p>
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Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**Details on Step 2 are mentioned below:**

**II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".



- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘B.N. Rathi Securities Limited - AGM’ and click on “Submit”
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id ssrfcs@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name\_Even No.”
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual



Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

- ii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

**III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [sabita@bnrsecurities.com](mailto:sabita@bnrsecurities.com). Questions /queries received by the Company till 10.08.2021 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is



integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### **OTHER INSTRUCTIONS**

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from 6th August, 2021 to 8th August, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
  - II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from 6th August, 2021 to 8th August, 2021.
  - III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
  - IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as 4th August, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
  - V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
    - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
- 1. Example for NSDL:
  - 2. MYEPWD <SPACE> IN12345612345678





3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the Company.
22. The members who have cast their vote by remote e-voting may also attend the meeting shall not be entitled to cast their vote again.
23. The Board of Directors of the Company has appointed S.S Reddy & Associates, Practicing Company Secretaries as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
24. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 4th August, 2021.
25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 4th August, 2020 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
26. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutinizer’s Report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company [www.bnrsecurities.com](http://www.bnrsecurities.com) and on the website of the KFin Tech <https://evoting.kfintech.com/>. The results shall simultaneously be communicated to the Stock Exchanges.
27. In terms of Companies Act, 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 2020-21, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2013-14 to the IEPF within a period of thirty days of such amounts becoming due. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.





28. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 4th August, 2021.
29. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
30. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
31. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
32. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's

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

**Sd/-  
Laxminiwas Sharma  
Chairman  
DIN: 00010899**

**Place : Hyderabad  
Date :25.05.2021**

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****FOR ITEM NO: -4**

Mr. Chetan Rathi (DIN: 00536441) was appointed as Whole-Time Director and CFO of the Company for a period of 3 years from 01.04.2018 to 31.03.2021 at the 32nd Annual General Meeting held on 09.08.2018.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12.02.2021, approved the re-appointment of Mr. Chetan Rathi (DIN: 00536441) as Whole-Time Director and CFO of the Company for a period of three years from 01.04.2021 to 31.03.2024. with an increase in the remuneration to Rs. 4,00,000 /-, Rs.4,50,000 /-, and Rs.5,00,000/- P.M. for the 1st, 2nd and 3rd years respectively.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution.

Save and except Mr. Chetan Rathi (DIN: 00536441) Whole-Time Director, CFO and Mr. Hari Narayan Rathi, (DIN:00010968) Managing Director being his relative, none of the other Directors/Key Managerial Personnel and their relatives are in any way interested or concerned financially or otherwise, in the Resolution set out in the notice except to the extent of their shareholding.

**Details of remuneration are:**

Salary: in the scale of Rs. 4,00,000 /-, Rs. 4,50,000 /-, and Rs.5, 00,000/- P.M. for the 1st, 2nd and 3rd years respectively

**In addition to the above the Whole-Time 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.
- 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

**Information in accordance with Schedule V of Companies Act, 2013**
**I. GENERAL INFORMATION**

1	Nature of Industry : Securities Trading		
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 15.09.1994		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable		
4	Financial performance based on given indications		
	Particulars	2020-21 (Rs. in lakhs )	2019-20 (Rs. in lakhs )
	Turnover	3231.24	2553.32
	Net profit after Tax	345.33	174.53
5	Foreign investments or collaborations, if any: Not Applicable		

**II. INFORMATION ABOUT THE APPOINTEE:**

1.	Background Details: Shri Chetan Rathi is an MBA - Finance graduate. He joined the Board of Directors of the Company in the year 2010. Earlier he has worked with Piramal Group of companies for one year at Mumbai. He played an active role in automation of Securities Payin & Payout system of our Company
2.	Past Remuneration: The remuneration drawn by Mr. Chetan Rathi (DIN: 00536441) Whole-Time Director and CFO is Rs.4,00,000/- per month.
3.	Recognition or awards: Not Applicable
4.	Job Profile and his suitability: Mr. Chetan Rathi is an MBA - Finance graduate. He joined the Board of Directors of our Company in the year 2010. Earlier he has worked with Piramal Group of companies for one year at Mumbai. He played an active role for the automation of Securities Payin & Payout system of our Company.
5.	Remuneration proposed As set out in the resolutions for the item No.4 the remuneration to Mr. Chetan Rathi, Whole-Time Director and CFO has the approval of the Nomination and Remuneration Committee and Board of Directors.
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) Taking into consideration of the size of the Company, the profile of Mr. Chetan Rathi and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any Besides the remuneration proposed, he is holding 4,98,534 Equity Shares of the Company.

**III. OTHER INFORMATION:**

1.	Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2.	Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3.	Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve further in near future.

**FOR ITEM NO: -5**

Mr. Hari Narayan Rathi (DIN: 00010968) earlier was appointed as Managing Director of the Company for a period of 3 years from 01.10.2018 to 30.09.2021 at the 32nd Annual General Meeting held on 09.08.2018. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 25.05.2021, approved the re-appointment of Mr. Hari Narayan Rathi (DIN: 00010968) as Managing Director of the Company for a term of three years commencing from 01.10.2021 to 30.09.2024 with an increase in remuneration to Rs. 5,00,000 /-, Rs. 5,50,000/-, and Rs.6,00,000/- P.M. for the 1st, 2nd and 3rd year respectively.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 5.

Save and except Mr. Hari Narayan Rathi (DIN: 00010968) Managing Director and Mr. Chetan Rathi, (DIN:00536441) Executive Director being his relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**Details of remuneration are:**

Salary: In the scale of Rs. 5,00,000 /-, Rs. 5,50,000 /-, and Rs.6, 00,000/- P.M. for the 1st, 2nd and 3rd years respectively

In addition to the above the Managing Director is entitled to the following facilities

- Free use of the Company's car with driver.
- Free telephone facility at residence.
- Encashment of Leave as per the rules of the Company.
- Club fee subject to maximum of two clubs.
- 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.

**Information in accordance with Schedule V of Companies Act, 2013**
**I. GENERAL INFORMATION**

1	Nature of Industry : Securities Trading		
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 15.09.1994		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable		
4	Financial performance based on given indications		
	Particulars	2020-21 (Rs. in lakhs )	2019-20 (Rs. in lakhs )
	Turnover	3231.24	2553.32
	Net profit after Tax	345.33	174.53
5	Foreign investments or collaborations, if any: Not Applicable		

**II. INFORMATION ABOUT THE APPOINTEE:**

1.	Background Details: Sri Hari Narayan Rathi is a graduate in science and was twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He has more than 3 decades of experience in securities Market
2.	Past Remuneration: The remuneration drawn by Mr. Hari Narayan Rathi (DIN: 00010968) Managing Director is Rs.5,00,000/- per month.
3.	Recognition or awards: NotApplicable
4.	Job Profile and his suitability: Sri Hari Narayan Rathi is a graduate in Science and was twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He has more than 3 decades of experience in securities Market.
5.	Remuneration proposed: As set out in the resolutions for the item No.5 the remuneration to Mr. Hari Narayan Rathi, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Mr. Hari Narayan Rathiand the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Besides the remuneration proposed, he is 16,24,955 holding Equity Shares of the Company.
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### III. OTHER INFORMATION:

1.	Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2.	Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3.	Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

#### ITEM NO. 6:

Reg 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 for appointment or continuance of any person as Non-Executive Director of a listed Company who attains the age of 75 years to be approved by the shareholders by way of a Special Resolution.

Mr. Laxminiwas Sharma, Independent Non-Executive Director of the Company had joined the Board of Directors of the Company on 05.06.1995. Pursuant to Section 149 (11) of the Companies Act, 2013, Mr. Laxminiwas Sharma was reappointed as an Independent Non-Executive Director in the Annual General Meeting held on 09.08.2018 to hold office for five consecutive years from 01.04.2019 to 31.03.2024. Though, Mr. Laxminiwas Sharma can hold office under the erstwhile resolution, his continuation of appointment as Independent – Non-executive Director requires special resolution to be passed in terms of SEBI LODR (Amendment) Regulations, 2018 as he attains the age of 75 years in the month of February 2022.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 25.05.2021 approved the continuance of Mr. Laxminiwas Sharma, Independent Non-Executive Director, subject to the approval of shareholders.

Accordingly, the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 6 of the notice for continuation of Mr. Laxminiwas Sharma. Save and except Mr. Laxminiwas Sharma Independent Director, none of the other Directors/ Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

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

**Sd/-  
Laxminiwas Sharma  
Chairman  
DIN: 00010899**

**Place : Hyderabad  
Date :25.05.2021**

## BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 35th Boards' Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2021 has been as under:

(Rs. In Lakhs)

Particular	Standalone		Consolidate	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	2906.53	2298.43	2972.78	2367.08
Other income	324.72	254.89	338.75	275.80
Profit/loss before Depreciation, Finance Costs,	601.80	306.67	627.40	304.81
Exceptional items and Tax Expense	-	-	-	-
Less: Depreciation/ Amortisation/ Impairment	22.90	20.74	23.26	21.32
Profit /loss before Finance Costs,	578.90	285.93	604.14	283.49
Exceptional items and Tax Expense				
Less: Finance Costs	72.19	52.84	72.19	54.79
Profit /loss before Exceptional items and Tax Expense	506.74	233.09	531.95	228.7
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	506.74	233.09	531.95	228.6
Less: Tax Expense (Current & Deferred)	161.41	58.56	168.25	58.53
Profit /loss for the year (1)	345.33	174.53	363.70	170.15
Total Comprehensive Income/loss (2)	5.05	-26.17	5.05	-26.07
Total (1+2)	350.38	148.46	368.75	144.08
Balance of profit /loss for earlier years	1056.06	1029.12	1357.32	1334.76
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	-	100.80	-	100.80

**2. REVIEW OF OPERATIONS:**

The total revenue of the Company for the financial year under review on consolidated basis was Rs. 2972.78 lakhs as against Rs. 2367.08 lakhs for the previous financial year. The company recorded a net profit of Rs. 363.70 for the financial year 2020-21 as against the net profit of Rs. 170.15 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2020-21 was Rs. 2906.53 lakhs as against Rs. 2298.43 lakhs for the previous financial year. The net profit for the financial year 2020-21 is Rs. 345.33 Lakhs as against the net profit of Rs. 174.53 lakhs for the previous year.

During the period under review and the date of Board's Report there was no change in the nature of Business.

**BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:**

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

**IMPACT OF COVID – 19:**

The COVID-19 created havoc in the world economy and severely affected the health of people at large and held the world at its standstill.

However, during the lockdown, your Company continued to provide support to customers with the invaluable support of Employees/workers and Management at various levels. and took all the necessary steps to maintain or achieve the predetermined targets.

**3. RESERVES:**

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

The Closing balance of reserves, including retained earnings, of the Company as at March 31st 2021 is Rs. 16,57,18,097/-

**4. DIVIDEND:**

The Directors are pleased to recommend a Dividend of Re. 1.20 Paise per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2020-21. The total outgo on account of dividend, stands at Rs. 60,48,000/- for which necessary provision has been made in the accounts.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.





The shareholders are requested to update their PAN with the Company/ KF in Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [sabita@bnrsecurities.com](mailto:sabita@bnrsecurities.com) by 11:59 p.m. IST on 10.08.2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [sabita@bnrsecurities.com](mailto:sabita@bnrsecurities.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 10.08.2021.

#### **5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

#### **6. MATERIAL CHANGES AND COMMITMENTS:**

Aasmaa Securities Private Limited member of NSE, BSE and MCX since year 2012 with 5374 clients out of which 1264 active 4110 in active clients and 4323 DP A/c's offered to transfer the business to us.

The proposal was placed before the Board in the meeting held on 24.12.2020 after due diligence. The Board approved the proposal and authorized Managing Director and Executive Director to enter into MOU with Aasmaa Securities Private Limited. The Board also authorized MD and ED to take necessary approvals from NSE, BSE, MCX and CDSL and any other relevant authorities.

MOU was signed after seeking the approvals from the relevant authorities and the business was transferred from Aasmaa Securities Private Limited to B N Rathi Securities Limited on 19.03.2021.

However, there were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 25.05.2021)

#### **7. REVISION OF FINANCIAL STATEMENTS**

There was no revision of the financial statements for the year under review.

#### **8. AUTHROISED AND PAID UP CAPITAL OF THE COMPANY:**

The Companies Authorised Capital of the Company is Rs. 6,00,00,000 divided into 60,00,000 equity shares of Rs. 10/- each. The paid-up capital of the company is Rs. 5,04,00,000 divided into 50,40,000 equity shares of Rs. 10/- each. There are no issue of shares under differential rights, employee stock options, sweat equity during the year.

## 9. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In terms of the provisions of the Companies Act, 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 2013-14 will expire on 11.07.2021 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2021 are as given below:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming the Dividend	Unclaimed amount as on 31.03.2021	Due date for transfer to Investor Education and Protection Fund (IEPF)
2013-14	12.07.2014	11.07.2021	254979	25.07.2021
2014-15	18.07.2015	17.07.2022	315952	16.08.2022
2015-16	06.08.2016	05.08.2023	195131	17.08.2023
2016-17	05.08.2017	04.08.2024	270100	04.09.2024
2017-18	09.08.2018	08.08.2025	149892	08.09.2025
2018-19	10.08.2019	09.08.2026	143386	09.09.2026
2019-20	13.02.2020	12.02.2027	159606	12.03.2027

Pursuant to provisions of Section 124 of Companies Act, 2013, the unclaimed dividend within the last date mentioned for the respective years, will be transferred to Investor Education and Protection Fund (IEPF) established by Government of India pursuant to Section 125 of the Companies Act, 2013.

## 10. TRANSFER OF SHARES AND UNPAID/UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, an amount of Rs.1,92,868/- pertaining to unpaid and unclaimed dividend for the financial year 2012-13 has been transferred to IEPF during the year under report. Further, 6050 shares in respect of which dividend has not been paid or claimed for seven consecutive years have also been transferred to IEPF.



Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during financial year 2019-20 through letters and newspaper publication.

The details of dividend and shares transferred to IEPF, unpaid and unclaimed amounts lying with the Company and procedure for claiming the dividend and shares from IEPF Authority are available on the website of the Company at the link: [www.bnrsecurities.com](http://www.bnrsecurities.com) and also on the website of Investor Education and Protection Fund Authority i.e. [www.iepf.gov.in](http://www.iepf.gov.in).

The last date for claiming dividend declared during financial year 2013-14 is 11.07.2021 and remained unpaid is Rs. 2,54,979/- . Members may forward their claims for unclaimed dividend to the Company's RTA before they are due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/shares so transferred.

## **DETAILS OF THE NODAL OFFICER**

The Company has designated Mr. M V Rao as a Nodal Officer for the purpose of IEPF.

## **11. DIRECTORS OR KMP APPOINTED OR RESIGNED.**

Mr. Chetan Rathi retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

Mr. Chetan rathi re-appointed as Whole Time Director for the period of three years w.e.f 01.04.2021 in the Board meeting held on 12.02.2021 and Mr Hari Narayan Rathi re-appointed as Managing Director for the period of three years w.e.f 01.10.2021 in the Board Meeting held on 25.05.2021 subject to the approval of the shareholders.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under: -

<b>Name of the Director</b>	Mr. Chetan Rathi	Mr. Hari Narayan Rathi	Shri Laxminiwas Sharma
<b>Date of Birth</b>	08/03/1976	22/11/1953	17/02/1947
<b>Date of Appointment</b>	01/04/2010	01/10/2010	29/01/1990



<b>Expertise in specific functional areas</b>	He joined the Board of Directors of B.N. Rathi Securities Limited in the year 2010. Earlier he has worked with Piramal Group of companies for one year at Mumbai. He played an active role for the automation of Securities Payin & Payout system of the Company.	Twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He has vast experience in securities Market	He is the senior partner of Laxminiwas & Jain, Chartered Accountants, Auditor for several private and public sector undertakings. He is a past president of Federation of A.P. Chamber of Commerce & Industry (FICCI).
<b>Qualifications</b>	MBA - Finance Graduat	Graduate in Science	Graduate in commerce Anda Chartered Accountant
<b>Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships</b>	Nil	Nil	NSL Textiles Limited
<b>Inter se relationship among Directors</b>	Hari Narayan Rathi ( father of chetan rathi)	Chetan Rathi (Son of Hari Narayan Rathi)	-
<b>Number of shares held by them</b>	4,98,534 equity shares	16,24,955 equity shares	-

**12. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received a declaration from Mr. Laxminiwas Sharma, Mr. K. Harish Chandra Prasad and Mrs. Shanti Sree Bolleni, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and under regulation 16(1)(b) read with regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Independent Directors have also confirmed that they have complied Company's Code of Conduct. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which



exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

### **13. BOARD MEETINGS:**

The Board of Directors duly met 5 (Five) times on 22.06.2020, 13.08.2020, 09.11.2020, 24.12.2020 and 12.02.2021 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **14. COMPOSITION OF AUDIT COMMITTEE:**

Audit committee: Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

Brief Description of Terms of Reference: - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Approval of payment to statutory auditors for any other services rendered by them.
- v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements



- (f) Disclosure of any related party transactions;
- (g) Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vii. Examination of the financial statement and the auditors' report thereon;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.

**Review of the following information:**

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

During the financial year 2020-21, (4) four meetings of the Audit Committee were held on the 22.06.2020, 13.08.2020, 09.11.2020, and 12.02.2021.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Laxminiwas Sharma	Chairman	NED(I)	4	4
Harish Chandra Prasad	Member	NED(I)	4	4
Shanti Sree Bolleni	Member	NED(I)	4	4
Hari Narayan Rathi	Member	MD	4	3

NED (I): Non-Executive Independent Director

MD: Managing Director



During the year, all recommendations of Audit Committee were approved by the Board of Directors.

15. Nomination and remuneration committee: The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.





- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarization programmes for Directors.
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.

Perform other activities related to the charter as requested by the Board from time to time. During the financial year 2020-21, (1) one meeting of the Nomination & Remuneration Committee meeting held on the 12.02.2021.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Harishchandra Prasad	Chairman	NED(I)	1	1
Laxminiwas Sharma	Member	NED(I)	1	1
Shanti Sree Bolleni	Member	NED(I)	1	1

NED (I): Non-Executive Independent Director

**16. Stakeholder's relationship committee:** Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Companies Act, 2013 which inter-alia include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 4 Directors out of which 3 are independent. In the financial year 2020-21, 4 meetings of the Committee were held 22.06.2020, 13.08.2020, 09.11.2020, and 12.02.2021.

Composition of committees and member's attendance at the meetings during the year are as under:

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mrs. Shanti Sree Bolleni	Chairperson	NED(I)	4	4
Mr.Laxminiwas Sharma	Member	NED(I)	4	4
Mr. K. Harishchandra Prasad	Member	NED(I)	4	4
Mr.Chetan Rath	Member	ED	4	4

NED (I): Non-Executive Independent Director

ED : Executive Director

## **17. RISK MANAGEMENT COMMITTEE**

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. However, to further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors voluntarily constituted a Board level Risk Management Committee (RMC).

### **A) Composition:**

The Details of composition of the Committee are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. K. Harishchandra Prasad	Chairman	NED(I)
Mrs. Shanti Sree Bolleni	Member	NED(I)
Mr.Chetan Rath	Member	ED

NED (I): Non-Executive Independent Director

ED : Executive Director

Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.



- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

**B) RISK MANAGEMENT POLICY:**

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

**18. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE****1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

**2. Terms and References:**

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.
- 2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:**

Qualifications and criteria

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
  - General understanding of the company's business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;



- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the Companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

## **3.2 Criteria of independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the companies Act, 2013.

## **3.3 Other Directorships/ Committee Memberships**

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director Service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.



- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 "Director" means a Director appointed to the Board of the company.
- 2.2 "key managerial personnel" means
- (i) The Chief Executive Office or the managing director or the manager;
  - (ii) The company secretary;
  - (iii) The whole-time director;
  - (iv) The chief finance Officer; and
  - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and Key Managerial Personnel

- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.



- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retrial benefits
  - (v) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non-Executive Directors
- 3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.
- 3.2.2 Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 3.3. Remuneration to other employees
- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## **19. BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.



The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**20. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014 :**

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure–1 to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013 the said annexure is open for inspection at the registered office of the Company during the working hours. Any member interested in obtaining a copy of the same may write to the Company

**21. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 a remuneration ratio of 8:1 is being paid to Mr. Chetan Rathi, Whole-Time director of the Company and a ratio of 9:1 is being paid to Mr. Hari Narayan Rathi, Managing Director of the Company.

**22. DIRECTOR'S RESPONSIBILITY STATEMENT:**

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



- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 profit and loss of the company for that period;
- (c) 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;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment.

The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

**24. NO FRAUDS REPORTED BY STATUTORY AUDITORS**

During the Financial Year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**25. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

M/s B N Rathi Comtrade Private Limited and M/s B N Rathi Industries Private Limited are whollyowned subsidiaries of the Company have made an income of Rs. 80.06 lacs with a profit of Rs. 18.336 lacs and Income of Rs. 0.23 lacs with a profit of Rs. 0.025 lacs respectively.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary companies is prepared in Form AOC-1 and is attached as Annexure -2 and forms part of this report.





**26. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

There have been no companies which have become or ceased to be the subsidiaries, joint ventures or associate companies during the year.

**27. CONSOLIDATED FINANCIAL STATEMENTS**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

**28. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2021 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet

**Details of deposits not in compliance with the requirements of the Act:**

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2021, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

**29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans, Guarantees or made any investments during the year under review.

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

**30. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2020-21, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.



The summary statement of transactions entered into with the related parties are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- 3 to this report.

**31. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:**

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

**32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:** The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder:

- A. Conservation of Energy:** Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.
- B. Technology Absorption:** All the Factors mentioned in Rule 8 (3)(b) Technology absorption are not applicable to the Company.

**C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

**33. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company [www.bnrsecurities.com](http://www.bnrsecurities.com).

**35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

**36. STATUTORY AUDITORS AND STATUTORY AUDITORS REPORT:**

At the 33rd Annual General Meeting held on 10.08.2019, the members of the company approved the appointment of M/s. Seshachalam & Co, chartered Accountants Statutory Auditors of the company for the term of five years from the financial year 2019-20 onwards on such terms and conditions and remuneration as may be decided by the Board. M/s Seshachalam & Co will continue as statutory auditors of the company till the conclusion of the 38th Annual General Meeting to hold for the financial year 2023-24.

The Auditors' Report for fiscal 2021 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2021 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

**37. SECRETARIAL AUDIT REPORT:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries (CP No. 7478) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2021.

The Secretarial Audit was carried out by M/s. S.S. Reddy & Associates, Company Secretaries (CP No. 7478) for the financial year ended March 31, 2021. The Report given by the Secretarial Auditor is annexed herewith as **Annexure- 4** and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**38. INTERNAL AUDITORS:**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company on quarterly basis by M/s Penmetsa & Associates., the Internal Auditor of the Company.



Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

The Board has re-appointed by M/s Penmetsa & Associates, Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2021-22.

### **39. SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

### **40. DECLARATION BY THE COMPANY**

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2021.

### **41. ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company [www.bnrsecurities.com](http://www.bnrsecurities.com)

### **42. DISCLOSURE ABOUT COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

### **43. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as **Annexure-5** to this report.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

**44. FAMILIARISATION PROGRAMMES:**

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website [www.bnrsecurities.com](http://www.bnrsecurities.com)

**45. INSURANCE:**

The properties and assets of your Company are adequately insured.

**46. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid-up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

**47. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

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

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable Securities laws. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([www.bnrsecurities.com](http://www.bnrsecurities.com))

**49. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at [www.bnrsecurities.com](http://www.bnrsecurities.com)



As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

**Committee:**

<b>Name</b>	<b>Designation</b>
Deepika Mathur	Presiding Officer
Sabitha Reddy G	Member
M V Rao	Member
Dasaripalla joji	External Member

All employees are covered under this policy. During the year 2020-2021, there were no complaints received by the Committee.

**50. Other Disclosures:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

**51. ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company, SEBI, BSE, NSE, MCX, NSDL, CDSL, HDFC, ICICI Bank etc. for their continued support for the growth of the Company.

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

**Sd/-  
Laxminiwas Sharma  
Chairman  
DIN: 00010899**

**Place : Hyderabad  
Date :25.05.2021**

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
152377	NIL	NIL	158427

**\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.**





**Certificate of Code of Conduct for the year 2020-21**

In accordance with Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March 2021.

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

**Sd/-  
Hari Narayan Rathi  
Managing Director and CEO**

**Place : Hyderabad  
Date :25.05.2021**

**Annexure 1**
**STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- 1 The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.

Director	Total Remuneration ( In Rupees)	Ratio to median remuneration
Mr. Hari Narayan Rathi	57,00,000	9:1
Mr. Chetan Rathi	48,00,000	8:1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2020-21	FY 2019-20	
Laxminivas Sharma	Director	-	-	0%
Hari Narayan Rathi	Managing Director	57,00,000	51,00,000	11.76%
Harishchandra Prasad Kanuri	Director	-	-	NIL
Chetan Rathi	Wholtime Director/CFO	48,00,000	42,00,000	14.29%
Shanti Sree Bolleni	Director	-	-	NIL
Gadila Sabitha Reddy	Company Secretary	4,10,400	4,67,200	-12.16%

3. The percentage increase in the median remuneration of employees in the financial year

Particulars	Remuneration		Increase/ (Decrease) %
	FY 2020-21	FY 2019-20	
Median Remuneration of all the employees per annum*	6,04,200	3,95,600	53%

- \* Employees who have served for whole of the respective financial years have been considered.

- 4.

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2021	71



5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration

Particulars	Increase/ (Decrease) %
<b>Average percentage increase in the remuneration of all Employees*</b> (Other than Key Managerial Personnel)	<b>2.48%</b>
<b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>	
Mr. Hari Narayan Rathi (Managing Director)	<b>11.76%</b>
Mr. Chetan Rathi (Wholetime Director/CFO)	<b>14.29%</b>
Mrs. Gadila Sabitha Reddy (Company Secretary)	<b>-12.16%</b>

- \* Employees who have served for whole of the respective financial years have been considered.

**6. Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company is in compliance with its remuneration policy.

**Annexure - 2**
**Form AOC – 1**

Statement containing salient features of the financial statements of Subsidiaries (Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries: B.N.Rathi Comtrade Private Limited  
B.N. Rathi Industries Private Limited

2. Reporting Period: 01.04.2020 to 31.03.2021

3. Reporting Currency: Indian Rupee

S. No.	Particulars	B.N.Rathi Comtrade Private Limited	B.N. Rathi Industries Private Limited
		Amount in Rupees	Amount in Rupees
1.	Share Capital:	1,00,00,000	50,00,000
2.	Reserves and surplus for the year ending	3,62,73,570	(41,31,329)
3.	Total Assets	4,62,91,072	8,69,578
4.	Total Liabilities	4,62,91,072	8,69,578
5.	Investments	1,15,38,054	8,45,548
6.	Turnover (Income)	80,06,200	22,992
7.	Profit / loss before Taxation	25,17,411	2,585
8.	Provision for Taxation	6,83,733	-
9.	Profit / loss after Taxation	18,33,677	2,585
10.	Proposed Dividend	-	-
11.	% of Shareholding	100	100

1. Names of Subsidiaries which are yet to commence operation : NA
2. Names of subsidiaries which have been liquidated or sold during the year : NA

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

Sd/-  
T. Bharadwaj  
Partner

Place: Hyderabad  
Date: 25.05.2021

For and on behalf of the Board,

Sd/-  
Hari Narayan Rathi  
Managing Director

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
Laxminiwas Sharma  
Chairman

Sd/-  
M.V. Rao  
Compliance Officer

**Annexure - 3****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/arrangements entered into between the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : Not Applicable
  - a) Name(s) of the related party and nature of relationship : Not Applicable
  - b) Nature of contracts/arrangements/transactions : None
  - c) Duration of the contracts/arrangements/transactions : Not Applicable
  - d) Salient terms of the contracts or arrangements or Transactions including the value, if any : Not Applicable
  - e) Justification for entering into such contracts or Arrangements or transactions : Not Applicable
  - f) Date(s) of approval of the Board : Not Applicable
  - g) Amounts paid as advances, if any : None
  - h) Date on which the special resolution was passed in General meeting as required under first proviso to Section 188 : Not Applicable

**2. Details of material contracts or arrangement or transactions at arms length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangement s/transactions:	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year:
<b>Rent</b>					
	Smt Chanda Devi Rathi	Office Premises on Rent	11months 01/04/2020 to 31/03/2021	Monthly Rent of Rs.60,000/-	
	Shri Govind Narayan Rathi HUF	Office Premises on Rent	11 months 01/04/2020 to 31/03/2021	Monthly Rent of Rs.20,000 /-	
<b>2</b>	<b>Remuneration Paid:</b>				
	Hari Narayan Rathi	Remuneration Paid		Remuneration Rs. 57,00,000/-	
	Chetan Rathi	Remuneration Paid		Rs. 48,00,000/-	
	Nisha Rathi	Remuneration Paid		Rs. 9,00,000/-	

**3. Details of contracts or arrangements or transactions not in the ordinary course of business**

S.No	Particulars	Details
a)	Name(s) of the related party & nature of relationship	None
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	None
e)	Justification of entering into such contracts or arrangements or transactions	None
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	Not Applicable

All related party transactions that were entered during the financial year were on arms-length basis and are according to the policy of related party transactions adopted by the Company.

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S  
Sd/-  
T. Bharadwaj  
Partner  
Place: Hyderabad  
Date: 25.05.2021

For and on behalf of the Board,  
Sd/-  
Hari Narayan Rathi  
Managing Director  
Sd/-  
Sabitha Reddy  
Company Secretary  
Sd/-  
Laxminiwas Sharma  
Chairman  
Sd/-  
M.V. Rao  
Compliance Officer

**Annexure - 4****FORM MR-3****SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To

The Members of

B. N. Rathi Securities Limited

Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. B. N. Rathi Securities Limited (hereinafter called “the Company”). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. B.N. Rathi Securities Limited (“The Company”) for the financial year ended on 31st March, 2021 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2020-21: -



- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;

**The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.bnrsecurities.com](http://www.bnrsecurities.com)**

- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFIN Technologies Private Limited as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
  - The Payment of Gratuity Act, 1972
  - Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - Employees State Insurance Act, 1948
  - Income Tax Act, 1961
  - Indian Stamp Act, 1899
  - Minimum Wages Act, 1948
  - Payment of Bonus Act, 1965





- Payment of Wages Act, 1936
- Shops and Establishments Act, 1948

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Companies Act, 2013, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) During the year the Company has conducted 5 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee, 1 meeting of Nomination and Remuneration Committee and 1 meeting of Independent Directors.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
  - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

**We further report that:**

- i. The Company has a CFO, Mr. Chetan Rathi and a Company Secretary namely Mrs. G. Sabitha Reddy.
- ii. The Company has internal auditors namely M/s. Penmetsa & Associates, Chartered Accountants, Hyderabad.
- iii. The website of the company contains several policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.



- iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- v. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- vii. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- viii. We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- ix. The Company is a registered member of NSE and BSE apart from having DP connectivity with CDSL. From time to time there were inspection of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.
- x. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**For S.S. Reddy & Associates  
Practicing Company Secretary**

**Sd/-  
S. Sarveswar Reddy  
Proprietor  
C.P.No: 7478**

**UDIN NO. A012611C000365271**

**Place : Hyderabad  
Date : 25.05.2021**

**ANNEXURE A**

To

The Members of

M/s. B.N.Rathi Securities Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S.S. Reddy & Associates  
Practicing Company Secretary**

**Sd/-  
S. Sarveswar Reddy  
Proprietor**

**C.P.No: 7478**

**UDIN NO. A012611C000365271**

**Place : Hyderabad  
Date :25.05.2021**

**Annexure – 5****MANAGEMENT DISCUSSION & ANALYSIS****Overview**

We always want to look ahead and push ourselves to reinvent and reinnovate. We took this opportunity to be introspective and realised our core strengths. We do not see these restrictions as a hurdle but an opportunity to explore new markets and new fields. We believe that with over 33 years of combined management experience in the capital markets and corporate space in India enable us to be competent in this field, its activities in Broking. In this context the company has acquired the business of M/s Aasmaa Securities Private Limited.

**Industry Structure and Developments**

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

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

**Opportunities and Threats**

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

**Opportunities**

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

**Threats**

1. Execution Risk
2. Slowdown in global liquidity flows
3. Intense competition from local and global players.
4. Unfavourable economic conditions

**Segment –wise or product wise performance**

The Company carries on 100% Stock Broking which is its core activity.

**Internal Control & Adequacy**

The company has adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition.

### **Risk Management System**

The company manages our business risk through strict compliance and internal control system.

### **Risk and Concerns**

Any adverse change in the financial services business or negative policy of Government will affect the company's sector adversely.

### **Outlook**

Company is focusing on service-based activities. We believe that with over 33 years of combined management experience in the capital markets and corporate space in India enable the company to be competent in this field. The company has decided to venture into different business through investments in subsidiaries company.

### **Details of significant changes**

<b>Particulars</b>	<b>F.Y 2020-21</b>	<b>F.Y 2019-20</b>	<b>% of changes</b>
Debtors Turnover	4.83	4.09	18.10
Inventory Turnover	-	-	0
Interest Coverage Ratio	9.57	6.73	42.17
Current Ratio	1.19	1.38	(13.47)
Debt Equity Ratio	4.3	2.23	93.01
Operating Profit Margin (%)	0.19	0.12	63.8
Net Profit Margin(%)	0.17	0.10	71.91

### **Human Resource**

Company has adequately trained and well experienced personnel. Our employees are highly motivated and work in line of the organizational goal.

### **Disclosure of Accounting Treatment**

During the preparation of the financial statement of FY 2020-21 the treatment, as prescribed in an Accounting Standard, has been followed by the Company. There is no discrepancy in Accounting Treatment as followed by the Company in the last financial year as compared to the previous financial year.

### **Cautionary Statement**

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF B.N.RATHI SECURITIES LIMITED**

#### **Report on the Audit of Standalone Ind AS Financial Statements**

##### **Opinion**

We have audited the standalone Ind AS financial statements of B.N. Rathi Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2021, and profit/loss, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we



are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;





- (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Company does not have any pending litigations which would impact its financial position
  - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.:201042  
UDIN: 21201042AAAABN6161**

**Hyderabad, May25, 2021**



**Annexure 1 to the Independent Auditors' Report**

**Re: B.N.Rathi Securities Limited ('the Company')**

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the Company has no immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax and other statutory dues applicable to it. Provisions of sales-tax, customs duty, excise duty, value added tax and cess are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, goods and services tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. Provisions of sales-tax, customs duty, excise duty, value added tax and cess are not applicable to the Company.



- © There are no dues of provident fund, employees' state insurance, income tax, service tax, goods and service tax and other material statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans taken from banks.
- (ix) No moneys were raised by way of initial public offer or further public offer (including debt instruments). Term loans taken were applied for the purposes for which those were taken.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.: 201042  
UDIN: 21201042AAAABN6161**

**Hyderabad, May 25, 2021**

**Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of B.N. Rathi Securities Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**TO THE MEMBERS OF B.N. RATHI SECURITIES LIMITED**

We have audited the internal financial controls over financial reporting of B.N.Rathi Securities Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 25, 2021 expressed an unqualified opinion.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner**

**Membership No.:201042  
UDIN: 21201042AAAABN6161**

**Hyderabad, May25, 2021**

**1. Corporate Information:**

B.N. Rathi Securities Limited (“BNRSL” or “the Company”) is a listed public company domiciled in India and is incorporated under the Companies Act, 1956 (“the Act”) on September 30, 1985. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

The Company is primarily engaged in the business of broking in securities. The Company also deals in depository operations and institutional equities. The Company is listed on Bombay Stock Exchange Limited (“BSE”).

**2. Significant Accounting Policies:**

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation:**

These separate financial statements are prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act, 2013 (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

Accounting policies have been consistently applied except where the change is required by an Ind AS or change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or condition on the entity's financial position, performance or cash flow.

**b) Use of estimates and judgements:**

The preparation of the financial statements in conformity with Ind AS required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Difference between the actual results and estimates are recognized in the year in which results are known/materialized.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**c) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment net of taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.



Trading income is recognized when a legally binding contract is executed.

Brokerage income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transaction by the exchanges.

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

Depository transaction charges are recognized on completion of respective transaction. Annual maintenance charges for depository accounts are accounted as and when the services are rendered.

Income from portfolio management fees are recognized on the basis of agreements entered into with the clients and when the right to receive income is established.

Dividends are recognized in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.

**d) Fair value measurement:**

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

**e) Property, plant and equipment:**

**i. Recognition and initial measurement:**

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**ii. Depreciation, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided on written down value method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii. De-recognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

**iv. Transition to Ind AS:**

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**f) Intangible Assets:****i. Recognition and initial measurement:**

Intangible assets (software) are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**ii. Amortization and estimated useful lives:**

Amortization on intangible assets is provided on written down value method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii. Transition to Ind AS:**

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of intangible assets.

**g) Impairment of assets:**

At each reporting date, the Company assesses whether there is any indication that an





asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### **h) Leases:**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **(i) Right-of-Use Assets**

The Company recognises right-of-use assets ("RoU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (g) Impairment of non-financial assets.

#### **(ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not



depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities have been presented under the head "Other Financial Liabilities". Lease liabilities have been presented under the head "Other Financial Liabilities".

### **(iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **i) Financial Instruments:**

#### **a. Financial Assets**

##### **Initial recognition and measurement**

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular way purchase and sale of financial assets are accounted for at trade date.

##### **Subsequent measurement**

- a. Debt instruments at amortized cost – A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.



- b. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures is carried at cost in the separate financial statements.

### **De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of a similar financial asset) is primarily de-recognized (i.e., removed from the company's separate balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset.

### **b. Financial Liabilities**

Initial recognition and measurement

The company recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

### **Subsequent measurement**

These liabilities include borrowings and deposits. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **De-recognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or

cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**c. Off setting financials instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counter party.

**j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying asset are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**k) Employee Benefits:**

**a. Short-term benefit plans**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**b. Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions, if any, are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**c. Defined benefit plans**

The company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method [PUCM], which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation



is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

The company has subscribed to a group gratuity scheme of Life Insurance Corporation [LIC]. Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lumpsum after deduction of necessary taxes up to a maximum limit of liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund.

**l) Income Taxes:**

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly inequity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

**m) Provisions, contingent liabilities and contingent assets:**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**n) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**o) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a 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.

**p) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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



**Standalone Balance Sheet**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	3,01,84,352	23,54,690
(b) Intangible assets	4	7,39,819	1,53,238
(c) Financial assets			
- Investments	5	1,50,00,000	1,50,00,000
- Loans	6	1,14,50,012	1,14,50,000
- Other non-current financial assets	7	34,659	5,58,892
(d) Deferred tax assets (Net)	8	26,86,623	27,11,562
(e) Other non-current assets	9	30,85,443	18,94,040
<b>Total non-current assets [A]</b>		<b>6,31,80,907</b>	<b>3,41,22,422</b>
<b>2 Current assets</b>			
(a) Financial assets			
- Investments	10	7,00,000	7,00,000
- Loans	11	21,60,00,000	10,60,00,000
- Trade receivables	12	7,79,87,276	4,24,74,434
- Cash and cash equivalents	13	7,65,79,489	12,29,36,987
- Bank balances other than above	14	69,51,64,046	24,54,47,032
- Other current financial assets	15	88,50,918	2,62,61,042
(b) Income taxes	16	-	12,63,300
(c) Other current assets	17	66,03,497	51,41,266
<b>Total current assets [B]</b>		<b>1,08,18,85,226</b>	<b>55,02,24,061</b>
<b>TOTAL ASSETS [A+B]</b>		<b>1,14,50,66,133</b>	<b>58,43,46,483</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	18	5,04,00,000	5,04,00,000
(b) Other Equity	19	16,57,18,097	13,06,79,982
<b>Total equity [A]</b>		<b>21,61,18,097</b>	<b>18,10,79,982</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
- Borrowings	20	1,68,58,780	-
- Other non current financial liabilities	21	39,743	2,67,830
(b) Provisions	22	52,95,318	52,26,816
<b>Total non-current liabilities [B]</b>		<b>2,21,93,841</b>	<b>54,94,646</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	23	5,12,20,479	-
- Trade payables	24	84,29,40,456	38,40,73,672
- Other current financial liabilities	25	6,42,671	9,70,382
(b) Provisions	26	9,09,358	4,05,279
(c) Income taxes	16	12,628	-
(d) Other current liabilities	27	1,10,28,604	1,23,22,522
<b>Total current liabilities [C]</b>		<b>90,67,54,195</b>	<b>39,77,71,855</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B+C]</b>		<b>1,14,50,66,134</b>	<b>58,43,46,483</b>
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As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T. Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 25, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer



**Standalone Statement of Profit and Loss**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>I REVENUE</b>			
Revenue from operations (Gross)	28	29,06,52,621	22,98,42,933
Other income	29	3,24,71,733	2,54,89,430
<b>TOTAL REVENUE [I]</b>		<b>32,31,24,354</b>	<b>25,53,32,363</b>
<b>II EXPENSES</b>			
Employee benefit expenses	30	5,54,50,760	6,02,57,260
Finance costs	31	72,16,383	52,84,296
Depreciation and amortization expense	3 & 4	22,90,432	20,73,727
Other expenses	32	7,28,74,501	5,96,12,242
Share of brokerage	-	13,46,18,479	10,47,95,429
<b>TOTAL EXPENSES [II]</b>		<b>27,24,50,555</b>	<b>23,20,22,954</b>
<b>III Profit Before Tax</b>		<b>5,06,73,799</b>	<b>2,33,09,409</b>
<b>IV Tax Expense:</b>			
- Current tax	33	1,32,72,846	61,31,959
- Adjustment of current tax relating to earlier years		28,43,232	-
- Deferred tax credit	33	24,941	(2,76,067)
<b>V Profit for the period</b>		<b>3,45,32,781</b>	<b>1,74,53,517</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		5,10,028	(26,12,217)
- Remeasurements of financial assets		(4,694)	4,902
- Recognition of borrowings using effective interest rate		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>3,50,38,115</b>	<b>1,48,46,201</b>
<b>VII Earnings per equity share Rs. 10/- each fully paid</b>			
- Basic	39	6.85	3.46
- Diluted	39	6.85	3.46
Corporate information	1		
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As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T. Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 25, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer





**Standalone Cash Flow Statement**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the period		5,06,73,799	2,33,09,409
<b>Adjustment to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation		22,90,432	20,73,727
Interest expense other than lease liability		58,65,481	39,59,916
Interest expense on account of lease liability		49,951	1,00,271
Remeasurement of post employee benefits		5,10,028	(26,12,217)
Remeasurement of lease		(10,20,330)	(9,37,146)
Profit on sale of securities		-	(31,329)
Income from disposal of scrapped asset		-	(3,500)
Profit on sale of investments in mutual funds		-	-
Excess provision created written back		-	(1,001)
Dividend income		-	(50,000)
Interest income		(3,24,71,733)	(2,54,03,600)
<b>Cash generated before working capital changes</b>		<b>2,58,97,628</b>	<b>4,04,529</b>
<b>Movements in working capital:</b>			
Increase/(Decrease) in trade payables		45,88,66,784	7,33,41,064
Increase/(Decrease) in other current liabilities		(12,93,918)	12,01,838
Increase/(Decrease) in long term provisions		68,502	28,84,290
Increase/(Decrease) in short term provisions		5,04,079	2,02,249
(Increase)/Decrease in trade receivables		(3,55,12,842)	2,75,49,763
(Increase)/Decrease in other non-current financial assets		3,11,586	3,636
(Increase)/Decrease in non-current loans		(12)	(23,50,000)
(Increase)/Decrease in current loans		(11,00,00,000)	9,54,00,000
(Increase)/Decrease in other non-current assets		(11,91,405)	11,07,139
(Increase)/Decrease in other current financial assets		1,66,84,510	(2,12,35,573)
(Increase)/Decrease in other current assets		(14,62,231)	(9,59,947)
<b>Cash generated from operations</b>		<b>35,28,72,681</b>	<b>17,75,48,988</b>
Income taxes paid		(1,48,40,150)	(54,13,460)
<b>Net cash flow (used in)/from operating activities (A)</b>		<b>33,80,32,531</b>	<b>17,21,35,528</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Purchase) of property, plant and equipment, including intangible assets		(2,97,73,110)	(10,49,541)
Net (Purchase) of current investments		-	(10,74,48,758)
Net Sale of current investments		-	10,74,80,087
Dividend received		-	50,000
Interest received		3,24,71,733	2,54,03,600
<b>Net cash flow (used in)/from investing activities (B)</b>		<b>26,98,623</b>	<b>2,44,35,388</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of)/Proceeds from long term borrowings		1,72,73,364	-
(Investment)/Redemption of bank deposits		(44,97,17,014)	(10,30,02,633)
Dividends paid on equity shares and tax on equity dividend paid		-	(1,21,51,974)
Interest paid		(58,65,481)	(39,59,916)
<b>Net cash flow (used in)/from financing activities (C)</b>		<b>(43,83,09,131)</b>	<b>(11,91,14,523)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		<b>(9,75,77,977)</b>	<b>7,74,56,393</b>
<b>E. Cash and cash equivalents</b>			
at the beginning of the year	13	12,29,36,987	4,54,80,594
at the end of the year		<b>2,53,59,010</b>	<b>12,29,36,987</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks			
- In current accounts		1,57,37,917	9,50,72,144
- Deposits with original maturity of less than 3 months		6,08,00,000	2,78,07,923
Cash on hand		41,572	56,920
<b>Less: Bank overdraft</b>		<b>(5,12,20,479)</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,53,59,010</b>	<b>12,29,36,987</b>
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Accompanying notes forming an integral part of the financial statements	2		
	3 to 49		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T. Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 25, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer



**Statement of Changes in Equity for the period ended March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

**A. Equity share capital**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid up</b>		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year		
<b>Balance at the end of the reporting year</b>	<b>5,04,00,000</b>	<b>5,04,00,000</b>

**B. Other equity**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Movement in other equity is as follows:</b>		
<b>I. Capital Reserve</b>	<b>14,90,400</b>	<b>14,90,400</b>
<b>II. Securities Premium</b>	<b>2,26,16,151</b>	<b>2,26,16,151</b>
<b>III. General Reserve</b>	<b>9,66,955</b>	<b>9,66,955</b>
<b>IV. Retained Earnings</b>		
(i) Opening balance	10,56,06,476	10,29,12,249
(ii) Profit for the year	3,45,32,781	1,74,53,517
(iii) Other comprehensive income	5,05,334	(26,07,315)
(iv) Dividend paid	-	(1,00,80,000)
(iv) Tax on distributed profits	-	(20,71,974)
	14,06,44,591	10,56,06,476
<b>TOTAL</b>	<b>16,57,18,097</b>	<b>13,06,79,982</b>

**Notes to financial statements for the period ended March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 3: Property, Plant and Equipment**

Particulars	As at March 31, 2021	As at March 31, 2020
Buildings	2,76,27,796	-
Furniture and Fittings	1,32,053	1,78,177
Motor Vehicles	8,73,208	12,28,177
Computers and Data Processing Units	10,22,549	3,66,150
Office Equipment	5,28,746	5,82,185
<b>Total</b>	<b>3,01,84,352</b>	<b>23,54,690</b>

**For the year 2020-21**

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>I. Gross Carrying Amount</b>						
As at April 01, 2020	-	8,68,498	86,57,542	27,25,378	26,57,742	<b>1,49,09,161</b>
Additions	2,76,27,796	-	-	11,84,484	1,96,009	<b>2,90,08,289</b>
Disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,76,27,796</b>	<b>8,68,498</b>	<b>86,57,542</b>	<b>39,09,862</b>	<b>28,53,751</b>	<b>4,39,17,449</b>
<b>II. Accumulated Amortization</b>						
Upto April 01, 2020	-	6,90,321	74,29,364	23,59,229	20,75,559	<b>1,25,54,473</b>
Depreciation expense for the period	-	46,124	3,54,970	5,28,084	2,49,446	<b>11,78,624</b>
Eliminated on disposal of assets	-	-	-	-	-	-
<b>Upto March 31, 2021</b>	<b>-</b>	<b>7,36,445</b>	<b>77,84,334</b>	<b>28,87,314</b>	<b>23,25,005</b>	<b>1,37,33,098</b>
<b>III. Net Carrying Amount [I-II]</b>						
<b>As at March 31, 2021</b>	<b>2,76,27,796</b>	<b>1,32,053</b>	<b>8,73,208</b>	<b>10,22,549</b>	<b>5,28,746</b>	<b>301,84,352</b>
<b>As at March 31, 2020</b>	<b>-</b>	<b>1,78,177</b>	<b>12,28,178</b>	<b>3,66,149</b>	<b>5,82,183</b>	<b>23,54,687</b>

**For the year 2019-20**

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>I. Gross Carrying Amount</b>						
As at April 01, 2019	-	7,63,055	86,57,542	23,27,615	21,07,910	<b>1,38,56,122</b>
Additions	-	1,05,443	-	3,97,763	5,49,834	<b>10,53,041</b>
Disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	-	<b>8,68,498</b>	<b>86,57,542</b>	<b>27,25,378</b>	<b>26,57,744</b>	<b>1,49,09,163</b>
<b>II. Accumulated Amortization</b>						
<b>Upto April 01, 2019</b>	-	6,43,157	69,79,661	20,85,574	18,99,956	<b>1,16,08,348</b>
Depreciation expense for the period	-	47,164	4,49,703	2,73,655	1,75,603	<b>9,46,125</b>
Eliminated on disposal of assets	-	-	-	-	-	-
<b>Upto March 31, 2020</b>	-	<b>6,90,321</b>	<b>74,29,365</b>	<b>23,59,229</b>	<b>20,75,559</b>	<b>1,25,54,473</b>
<b>III. Net Carrying Amount [I-II]</b>						
<b>As at March 31, 2020</b>	-	<b>1,78,177</b>	<b>12,28,177</b>	<b>3,66,150</b>	<b>5,82,185</b>	<b>23,54,690</b>
<b>As at March 31, 2019</b>	-	<b>1,19,898</b>	<b>16,77,881</b>	<b>2,42,041</b>	<b>2,07,954</b>	<b>22,47,774</b>

**Note 4: Intangible Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Computer Software	7,39,819	1,53,238
<b>Total</b>	<b>7,39,819</b>	<b>1,53,238</b>

**For the year ended March 31, 2021**

Particulars	Computer Software
<b>I. Gross Carrying Amount</b>	
<b>As at April 01, 2020</b>	13,17,147
Additions	7,64,821
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>20,81,968</b>
<b>II. Accumulated Amortization</b>	
<b>Upto April 01, 2020</b>	11,63,910
Amortization expense for the period	1,78,239
Eliminated on disposal of assets	-
<b>Upto March 31, 2021</b>	<b>13,42,150</b>
<b>III. Net Carrying Amount [I-II]</b>	
<b>As at March 31, 2021</b>	<b>7,39,819</b>
<b>As at March 31, 2020</b>	<b>1,53,237</b>

**For the year 2019-20**

Particulars	Computer Software
<b>I. Gross Carrying Amount</b>	
<b>As at April 01, 2019</b>	13,17,147
Additions	-
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>13,17,147</b>
<b>II. Accumulated Amortization</b>	
<b>Upto April 01, 2019</b>	9,35,213
Amortization expense for the period	2,28,697
Eliminated on disposal of assets	-
<b>Upto March 31, 2020</b>	<b>11,63,909</b>
<b>III. Net Carrying Amount [I-II]</b>	
<b>As at March 31, 2020</b>	<b>1,53,238</b>
<b>As at March 31, 2019</b>	<b>3,81,935</b>

**Note 5: Non-current investments**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments in equity instruments (fully paid-up)</b>		
<b>(i) Unquoted investments</b>		
<b>(a) Subsidiaries: [Refer note 36(iii)]</b>		
B.N.Rathi Comtrade Private Limited [10,00,000 (31.03.2020: 10,00,000) equity shares of par value Rs. 10 each]	1,00,00,000	1,00,00,000
B.N.Rathi Industries Private Limited [5,00,000 (31.03.2020: 5,00,000) equity shares of par value Rs. 10 each]	50,00,000	50,00,000
<b>Total</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	1,50,00,000	1,50,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	1,50,00,000	1,50,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

**Note 6: Non-current loans**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits		
- Security deposits with Stock Exchanges/Clearing Houses	1,14,50,012	114,50,000
<b>Total</b>	<b>1,14,50,012</b>	<b>114,50,000</b>

**Note 7: Other non-current financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	-	3,16,281
Right to use asset	34,659	2,42,611
<b>Total</b>	<b>34,659</b>	<b>5,58,892</b>

**Note 8: Deferred tax asset (net)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>	-	-
Depreciation	12,66,993	14,22,939
Employee benefits	14,19,630	12,88,623
<b>Total</b>	<b>26,86,623</b>	<b>27,11,562</b>

**Note 9: Other non-current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	17,66,308	14,74,864
Prepaid expenses	13,19,135	4,19,176
<b>Total</b>	<b>30,85,443</b>	<b>18,94,040</b>

**Note 10: Current investments**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments in equity instruments (fully paid-up)</b>		
<b>(i) Unquoted investments</b>		
<b>(a) Other investments:</b>		
Mahesh Vidya Bhavan Limited [20,000 (31.03.2020: 20,000) equity shares of face value Rs. 10 each]"	2,00,000	2,00,000
Sevenhills Co-op Bank Limited [5,000 (31.03.2020: 5,000) equity shares of face value Rs. 10 each]"	5,00,000	5,00,000
<b>Total</b>	<b>7,00,000</b>	<b>7,00,000</b>

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	7,00,000	7,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	7,00,000	7,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

**Note 11: Current loans**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security margin money with Stock Exchanges/ Clearing Houses	21,60,00,000	10,60,00,000
<b>Total</b>	<b>21,60,00,000</b>	<b>10,60,00,000</b>



**Note 12: Trade receivables [Refer Note 40]**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Outstanding for a period exceeding six months	-	-
Others	7,79,87,276	4,24,74,434
<b>Total</b>	<b>7,79,87,276</b>	<b>4,24,74,434</b>

**Note 13: Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
- In current accounts	1,57,37,917	9,50,72,144
- Deposits with original maturity of less than 3 months	6,08,00,000	2,78,07,923
Cash on hand	41,572	56,920
<b>Total</b>	<b>7,65,79,489</b>	<b>12,29,36,987</b>

**Note 14: Bank balances other than above**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) In earmarked accounts		
- Unpaid dividend accounts	14,89,046	14,72,032
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	32,50,000	40,50,000
- Remaining maturity for less than 12 months	69,04,25,000	23,99,25,000
<b>Total</b>	<b>69,51,64,046</b>	<b>24,54,47,032</b>

**Note 15: Other current financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	19,15,238	2,17,82,817
Interest accrued but not due	61,12,127	27,25,262
Short term loans & advance	-	9,529
Advances to employees	6,15,600	8,09,867
Right to use	2,07,953	9,33,567
<b>Total</b>	<b>88,50,918</b>	<b>2,62,61,042</b>

**Note 16: Current tax asset [Net of provisions]**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax	1,32,60,218	73,95,259
Current tax liabilities	1,32,72,846	61,31,959
<b>Total</b>	<b>(12,628)</b>	<b>12,63,300</b>

**Note 17: Other current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	8,05,161	6,22,247
Balances with government authorities (other than income taxes)	3,44,244	3,31,063
Other current assets	54,54,092	41,87,956
<b>Total</b>	<b>66,03,497</b>	<b>51,41,266</b>

**Note 18: Share capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised:</b>				
Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000
<b>Total</b>	<b>50,40,000</b>	<b>5,04,00,000</b>	<b>50,40,000</b>	<b>5,04,00,000</b>

**(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2021</b>				
Number of shares	50,40,000	-	-	50,40,000
<b>Amount</b>	<b>50,40,000</b>	<b>-</b>	<b>-</b>	<b>50,40,000</b>
<b>Year ended March 31, 2020</b>				
Number of shares	50,40,000	-	-	50,40,000
<b>Amount</b>	<b>50,40,000</b>	<b>-</b>	<b>-</b>	<b>5,04,00,000</b>

**(b) Rights, preferences and restrictions attached to equity shares:**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. However, interim dividend can be declared by the Board of Directors subject to the provisions of the Companies Act 2013, relevant rules and regulations thereunder.

**(c) Details of shares held by each shareholder holding more than 5% shares\***

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
<b>Equity shares of Rs.10/- each fully paid</b>				
Hari Narayan Rathi	16,24,955	32.24%	16,24,955	32.24%
Chetan Rathi	4,98,534	9.89%	4,98,534	9.89%
Chanda Devi Rathi	3,12,406	6.20%	3,12,406	6.20%

\* As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**Note 19: Other equity**

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve	14,90,400	14,90,400
Securities Premium	2,26,16,151	2,26,16,151
General Reserve	9,66,955	9,66,955
Retained Earnings	14,06,44,591	10,56,06,476
<b>Total</b>	<b>16,57,18,097</b>	<b>13,06,79,982</b>

For details of movement during the year refer 'Statement of Changes in Equity'

**Nature and purpose of other equity:**
**(a) Capital Reserve**

This represents surplus amount on forfeiture of shares and premium on issue of shares

**(b) Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Act.

This represents appropriation of profit by the company.

**(d) Retained Earnings**

Retained earnings comprise of the company's accumulated undistributed earnings.

**Note 20: Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
<b>Term loan</b>		
- From bank	1,68,58,780	-
<b>Total</b>	<b>1,68,58,780</b>	<b>-</b>

Note: The term loan is secured by way of hypothecation of property purchased. The Loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 5 instalments.

**Note 21: Other non-current financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability	39,743	2,67,830
<b>Total</b>	<b>39,743</b>	<b>2,67,830</b>

**Note 22: Non-current provisions [Refer Note 35]**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	52,95,318	52,26,816
<b>Total</b>	<b>52,95,318</b>	<b>52,26,816</b>

**Note 23: Current borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
<b>Working capital loan</b>		
<b>From bank</b>		
Rupee loans	5,12,20,479	-
<b>Total</b>	<b>5,12,20,479</b>	<b>-</b>

**Note 24: Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors - clients [Refer Note 40 & 41]	82,52,88,610	37,02,49,866
Sharing of brokerage payable	1,17,45,312	83,36,203
Outstanding liabilities	8,02,594	18,46,188
Other payables	51,03,940	36,41,415
<b>Total</b>	<b>84,29,40,456</b>	<b>38,40,73,672</b>

**Note 25: Current financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities	2,28,087	9,70,382
Current maturities of borrowings - Non current [Refer Note 20]	4,14,584	-
<b>Total</b>	<b>6,42,671</b>	<b>9,70,382</b>

Note: The term loan is secured by way of hypothecation of property purchased. The loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 5 instalments.

**Note 26: Current provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits [Refer Note 35]		
- Gratuity	9,09,358	4,05,279
<b>Total</b>	<b>9,09,358</b>	<b>4,05,279</b>

**Note 27: Other current liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend	14,89,046	16,21,924
Statutory remittances	34,17,696	38,82,803
Client margin deposits	59,22,119	55,08,563
Other deposits - Sub brokers	1,99,743	13,09,232
<b>Total</b>	<b>1,10,28,604</b>	<b>1,23,22,522</b>

**Note 28: Revenue from operations (Gross)**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Income from broking operations	23,43,16,965	18,12,21,287
Other operating revenue	5,63,35,656	4,86,21,646
<b>Total</b>	<b>29,06,52,621</b>	<b>22,98,42,933</b>

**Note 29: Other income**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Dividend income	-	50,000
Interest income on deposits	3,24,71,733	2,54,03,600
Profit on sale of securities	-	31,329
Income from disposal of scrapped asset	-	3,500
Excess provision written back	-	1,001
<b>Total</b>	<b>3,24,71,733</b>	<b>2,54,89,430</b>

**Note 30: Employee benefit expense**

<b>Particulars</b>	<b>For the period ended March 31, 2021</b>	<b>For the period ended March 31, 2020</b>
Salaries, allowances and wages	5,19,23,851	5,70,17,198
Contribution to provident and other funds	30,73,626	26,65,354
Staff welfare expenses	4,53,283	5,74,708
<b>Total</b>	<b>5,54,50,760</b>	<b>6,02,57,260</b>

**Note 31: Finance costs**

<b>Particulars</b>	<b>For the period ended March 31, 2021</b>	<b>For the period ended March 31, 2020</b>
Interest expense on:		
- Working capital	60,170	3,23,913
- Secured loan	4,72,917	-
- Others	53,32,394	36,36,003
- Lease liability	49,951	1,00,271
- Delayed remittance of income tax	1,33,684	34,069
Other borrowing costs	11,67,267	11,90,041
<b>Total</b>	<b>72,16,383</b>	<b>52,84,296</b>



**Note 32: Other expenses**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Operating expenses:		
Transaction charges	4,25,23,376	3,54,33,687
Other operating expenses	1,27,29,964	82,75,421
Others:		
Power and fuel	10,32,386	13,24,896
Rent [Refer Note 37, 38]	13,65,665	19,89,770
Repairs and maintenance	7,18,793	15,51,402
Bank charges	-	-
Insurance	1,45,065	1,51,986
Rates and taxes	36,97,207	24,69,377
Communication	15,50,364	12,46,467
Travelling and conveyance	1,62,343	2,73,776
Printing and stationary	11,97,973	10,11,583
Business promotion	5,54,794	3,79,826
Donations	1,22,000	3,00,000
Legal and professional	17,05,639	12,80,037
Loss on sale of investments	5,13,034	-
Auditor's remuneration:		
- Statutory audit	2,25,000	2,20,000
- Internal audit	2,00,000	2,00,000
- Tax audit	70,000	70,000
- Certification	2,20,000	2,25,000
General and other administration expenses	41,40,898	32,09,014
<b>Total</b>	<b>7,28,74,501</b>	<b>5,96,12,242</b>

**Note 33: Income tax expense**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>(a) Major components of income tax expense:</b>		
<b>(i) Current Income Tax</b>	-	-
- Current income tax charge	1,32,72,846	61,31,959
- Adjustments in respect of current income tax of previous year	28,43,232	-
	<b>1,61,16,078</b>	<b>61,31,959</b>
<b>(ii) Deferred Tax</b>		
- Relating to origination/reversal of temporary differences	24,941	(2,76,067)
	<b>24,941</b>	<b>(2,76,067)</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,61,41,019</b>	<b>58,55,892</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Profit/(Loss) before tax from continuing operations	5,06,73,799	2,33,09,409
Indian tax rate	25.17%	25.17%
<b>Tax at the Indian tax rate</b>	<b>1,27,54,595</b>	<b>58,66,978</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes	10,32,383	7,25,429
Tax exempt income	-	(12,585)
Deferred tax	24,941	(2,76,067)
Others	23,29,099	(4,47,864)
<b>Total Income Tax Expense</b>	<b>1,61,41,019</b>	<b>58,55,892</b>

**34. Contingent liabilities:**

Particulars	As at March 31, 2021	As at March 31, 2020
i) Bank Guarantees	19,00,00,000	20,00,00,000
ii) Income tax demand for AY 2011-2012 pending in appeal with ITAT, Hyderabad.	-	65,40,228

**35. Employee Benefits**

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet:

**Statement of Profit and Loss**
**Net employee benefit expenses recognized in the employee cost**

Particulars	March 31, 2021	March 31, 2020
Current service cost	6,80,404	6,97,756
Interest cost on benefit obligation	3,82,419	1,93,751
Expected return on plan assets	(1,81,767)	(1,93,268)
Net actuarial loss/(gain) recognized in the year	(5,10,028)	26,12,217
<b>Net benefit expense</b>	<b>3,71,027</b>	<b>33,10,457</b>

**Balance Sheet**
**Benefit liability**

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	62,04,676	56,32,095
Fair value of plan assets	(32,18,863)	(24,84,155)
<b>Plan liability</b>	<b>29,85,812</b>	<b>31,47,939</b>

**Changes in the present value of the defined benefit obligation are as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	56,32,095	25,45,556
Current service cost	6,80,404	6,97,756
Interest cost	3,82,419	1,93,751
Benefits paid	-	(2,47,327)
Actuarial gain/(losses) on obligation	(4,90,242)	24,42,358
<b>Closing defined benefit obligation</b>	<b>62,04,676</b>	<b>56,32,095</b>

**Changes in the fair value of plan assets are as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	24,84,155	23,66,511
Adjustment to opening balance	1,47,495	(4,438)
Expected return	1,81,767	1,93,268
Contributions by employer	3,85,660	3,46,000
Benefits paid	-	(2,47,327)
Actuarial (losses)/gains	19,786	(1,69,859)
<b>Closing fair value of plan assets</b>	<b>32,18,863</b>	<b>24,84,155</b>

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

Particulars	March 31, 2021	March 31, 2020
Discount rate (%)	6.92%	6.79%
Expected rate of return on assets (%)	6.92%	6.79%
Salary escalation (%)	4.00%	4.00%
Attrition rate (%)	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### 36. Segment information

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financials instruments and deferred tax assets are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

### 37. Related Party Disclosures

#### a) Names of the related parties and nature of relationship (as per Ind AS 24):

Nature of Relationship	Name of Related Party
Subsidiaries:	B. N. Rathi Comtrade Private Limited B. N. Rathi Industries Private Limited
Key Management Personnel (KMP):	Hari Narayan Rathi – <b>Managing Director</b> Chetan Rathi – <b>Executive Director</b>
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi - Wife of Hari Narayan Rathi Nisha Rathi – Wife of Chetan Rathi Anuradha Pasari – Daughter of Hari Narayan Rathi Govind Narayan Rathi – Brother of Hari Narayan Rathi

**b) Transactions with related parties:**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Rent Paid:</b>	<b>9,60,000</b>	<b>9,60,000</b>
- Chanda Devi Rathi	7,20,000	7,20,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
<b>Remuneration Paid:</b>	<b>1,05,00,000</b>	<b>93,00,000</b>
- Hari Narayan Rathi	57,00,000	51,00,000
- Chetan Rathi	48,00,000	42,00,000
<b>Dividend Paid:</b>	-	<b>52,74,838</b>
- Hari Narayan Rathi	-	32,49,910
- Chetan Rathi	-	9,97,068
- Chanda Devi Rathi	-	6,24,812
- Nisha Rathi	-	4,03,048
<b>Service Rendered – Brokerage Received:</b>	-	<b>28,488</b>
- Hari Narayan Rathi	-	10,484
- Chetan Rathi	-	8,053
- Chanda Devi Rathi	-	2,725
- Nisha Rathi	-	2,070
- Govind Narayan Rathi	-	3,464
- Anuradha Pasari	-	1,389
- Hari Narayan Rathi HUF	-	293
- Chetan Rathi HUF	-	9
<b>Sharing of Expenses:</b>	-	<b>14,58,428</b>
- B. N. Rathi Comtrade Private Limited	-	14,58,428
<b>Sharing of Expenses Recovered:</b>	-	<b>14,58,428</b>
- B. N. Rathi Comtrade Private Limited	-	14,58,428
<b>Rental Deposit Recovered:</b>	<b>60,000</b>	-
- Govind Narayan Rathi HUF	60,000	-

**c) Related party balances:**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current investments:</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>
- B. N. Rathi Industries Private Limited	50,00,000	50,00,000
- B. N. Rathi Comtrade Private Limited	1,00,00,000	1,00,00,000
<b>Rent Deposit:</b>	<b>10,40,000</b>	<b>11,00,000</b>
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	40,000	1,00,000

**38. Leases:**
**Operating Lease**
**Assets taken on cancellable operating lease**

The company is obligated under cancellable lease for office premises. Total lease rental expenses recognized in the statement of profit and loss for the year are as follows;

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating Lease – Cancellable	13,65,665	19,89,770
<b>Total</b>	<b>13,65,665</b>	<b>19,89,770</b>

**39. Earnings per Share (EPS):**
**i. Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after taxation as per statement of profit and loss (for basic EPS)	3,45,32,781	1,74,53,517
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>3,45,32,781</b>	<b>1,74,53,517</b>

**ii. Reconciliation of basic and diluted shares used in computing earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>50,40,000</b>	<b>50,40,000</b>

**iii. Earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Basic (Rs.)	6.85	3.46
- Diluted (Rs.)	6.85	3.46

**40. Balance Confirmations**

Confirmations of receivables and payable balances have not been received by the Company; hence, reliance is placed on the balances as per books. In the opinion of the management, the amounts are realizable/payable in the ordinary course of business.

**41. Due to Micro and Small Enterprises**

The Company has no dues to Micro and Small Enterprises as at March 31, 2021 and March 31, 2020 in the financial statements based on information received and available with the company.

42. During FY 2012-13, company entered into an agreement for sale of land with Mrs. Hari Gayathri, wife of Mr. Venkata Appa Rao Yeleswarapu, client of the company. Mr. Venkata Appa is liable to pay Rs. 34,43,070 to the company as on January 31, 2013. In the process of recovery, the company entered into an agreement for sale of land on February 01, 2013 with his wife for a consideration of Rs. 14,74,864. The consideration is to be treated as advance receivable by her from the company against the amount payable by her husband. The registration of land in favour of the company is pending. The company has decided to disclose the consideration under the head "Long term loans & advances" as 'Property pending for registration & possession.' The company has filed a suit for specific performance for the same. The status of the case is 'pending' and recovery of the same is doubtful.



**43. Fair Value Measurements****i. Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**Financial assets and financial liabilities measured at fair value**

Particulars	March 31, 2021	March 31, 2020
Fair Value Hierarchy	1	1
Financial Assets	-	
Listed Equity Instruments		-
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets – Security Deposits	19,15,238	2,20,99,098
Financial Liabilities		
Borrowings	6,84,93,843	-

**ii. Financial Instruments by category**

**For amortized cost instruments, carrying value represents the best estimate of fair value:**

Particulars	Mar-21			Mar-20		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Equity investments	-	-	-	-	-	-
Other investments	-	-	1,57,00,000	-	-	1,57,00,000
Trade Receivables	-	-	7,79,87,276	-	-	4,24,74,434
Loans	-	-	22,74,50,012	-	-	11,74,50,000
Cash & Cash Equivalents	-	-	7,65,79,489	-	-	12,29,36,987
Other bank balances	-	-	69,51,64,046	-	-	24,54,47,032
Others	-	19,15,238	-	-	2,20,99,098	-
<b>Total</b>	<b>-</b>	<b>19,15,238</b>	<b>1,09,28,80,823</b>	<b>-</b>	<b>2,20,99,098</b>	<b>54,40,08,453</b>
<b>Financial Liabilities</b>						
Borrowings	-	6,84,93,843	-	-	-	-
Trade Payables	-	-	84,29,40,456	-	-	38,40,73,672
<b>Total</b>	<b>-</b>	<b>6,84,93,843</b>	<b>84,29,40,456</b>	<b>-</b>	<b>-</b>	<b>38,40,73,672</b>

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and investment in its subsidiaries.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short maturity.

**44. Financial Instruments Risk Management**
**i. Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**a. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has exposure only to financial instruments at fixed interest rates. Hence, the company is not exposed to significant interest rate risk.

**b. Price Risk**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. The majority of the company's equity instruments are publicly traded.

**ii. Credit Risk**

Credit risk is the risk that a counter party fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables. Ageing of receivables is as follows:

Particulars	March 31, 2021	March 31, 2020
Past due not impaired:	-	-
0-30 Days	7,58,13,225	4,20,34,973
31-90 Days	21,74,051	4,40,192
91-180 Days	-	-
Greater than 180 Days	-	-
<b>Total</b>	<b>7,79,87,276</b>	<b>4,24,74,434</b>

**iii. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. The Company's principal sources of liquidity are the cash flows generated from operations. The Company has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.



The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b>March 31, 2021</b>				
Borrowings	6,84,93,843	-	-	<b>6,84,93,843</b>
Trade Payables	84,29,40,456	-	-	<b>84,29,40,456</b>
<b>Total</b>	<b>91,14,34,299</b>	<b>-</b>	<b>-</b>	<b>91,14,34,299</b>
<b>March 31, 2020</b>				
Borrowings	-	-	-	-
Trade Payables	38,40,73,672	-	-	<b>38,40,73,672</b>
<b>Total</b>	<b>38,40,73,672</b>	<b>-</b>	<b>-</b>	<b>38,40,73,672</b>

#### 45. Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

Particulars	March 31, 2021	March 31, 2020
Non-Current borrowings	1,68,58,780	-
Current borrowings	5,16,35,063	-
Total Debt	6,84,93,843	-
As a percentage of total capital	23.89%	0.00%
Equity	21,61,18,097	18,10,79,982
As a percentage of total capital	76.11%	100.00%
Total Capital [Debt and Equity]	<b>28,46,11,940</b>	<b>18,10,79,982</b>

#### 46. Impact of Global Health Pandemic - COVID-19

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

The Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that situation as well as its assessment is continuously evolving, and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Company's management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

In assessing the recoverability of receivables and other financial assets, Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

#### 47. Standards issued but not effective

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. Company will assess the impact of the



Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

#### **48. Event occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 25, 2021, there were no subsequent events and transactions to be recognised or reported that are not already disclosed.

49. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Place: Hyderabad  
Date: May 25, 2021

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS****TO THE MEMBERS OF B. N. RATHI SECURITIES LIMITED**

Report on the Consolidated Ind AS Financial Statements

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of B.N.Rathi Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles

generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
- e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Group does not have any pending litigations which would impact its financial position.
  - ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

**For Seshachalam & Co.**  
**Chartered Accountants**  
**Firm Registration Number.: 003714S**

**Sd/-**  
**T. Bharadwaj**  
**Partner**

**Membership No.:201042**  
**UDIN: 21201042AAAAAB7478**

**Hyderabad, May 25, 2021**

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind As financial statements of the Group as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of B.N.Rathi Securities Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies, as adopted by each company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner**

**Membership No.:201042  
UDIN: 21201042AAAAAB7478**

**Hyderabad, May 25, 2021**

**1. Group Information:**

The consolidated financial statements of B.N. Rathi Securities Limited (“the Company”) together with its subsidiaries (collectively referred as the ‘Group’ or the ‘consolidating entities’) are prepared with generally accepted accounting principles in India under the historical cost convention and on an accrual basis of accounting.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2. Significant Accounting Policies:**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation:**

These consolidated financial statements are prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act, 2013 (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

Accounting policies have been consistently applied except where the change is required by an Ind AS or change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or condition on the entity’s financial position, performance or cash flow.

Investments in subsidiaries, except where the investments are acquired exclusively with a view to its subsequent disposal in the near future, are accounted in accordance with accounting principles as defined in the Indian Accounting Standard (Ind AS) 110 ‘Consolidated Financial Statements’, as prescribed under the Rules.

The financial statements of the consolidating entities are added on a line-by-line basis and material inter-company balances and transactions including unrealized gain and loss from such transactions are eliminated upon consolidation. The following subsidiaries have been considered for the purpose preparation of consolidated financial statements.

Name of the consolidating entities	Country of Incorporation	Percentage Holding/Interest (%)	
		As at March 31, 2021	As at March 31, 2020
B. N. Rathi Comtrade Private Limited	India	100.00	100.00
B. N. Rathi Industries Private Limited	India	100.00	100.00

**b) Use of estimates and judgements:**

The preparation of the consolidated financial statements in conformity with Ind AS required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Difference between the actual results and estimates are recognized in the year in which results are known/materialized.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**c) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment net of taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Trading income is recognized when a legally binding contract is executed.

Brokerage income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transaction by the exchanges.

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

Depository transaction charges are recognized on completion of respective transaction. Annual maintenance charges for depository accounts are accounted as and when the services are rendered.

Income from portfolio management fees are recognized on the basis of agreements entered into with the clients and when the right to receive income is established.

Dividends are recognized in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group and the amount of the dividend can be measured reliably.

**d) Fair value measurement:**

The group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.



Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The group uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

**e) Property, plant and equipment:**

**i. Recognition and initial measurement:**

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**ii. Depreciation, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided on written down value method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii. De-recognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

**iv. Transition to Ind AS:**

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**f) Intangible Assets:**

**i. Recognition and initial measurement:**

Intangible assets (software) are stated in the balance sheet at their carrying value being the





cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**ii. Amortization and estimated useful lives:**

Amortization on intangible assets is provided on written down value method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii. Transition to Ind AS:**

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of intangible assets.

**g) Impairment of assets:**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**h) Leases:**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-Use Assets**

The Company recognises right-of-use assets ("ROU Assets") at the commencement date





of the ease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (g) Impairment of non-financial assets.

**(ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities have been presented under the head "Other Financial Liabilities". Lease liabilities have been presented under the head "Other Financial Liabilities".

**(iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**i) Financial Instruments:****a. Financial Assets**

Initial recognition and measurement



The Group recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular way purchase and sale of financial assets are accounted for at trade date.

**Subsequent measurement**

- a. Debt instruments at amortized cost – A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- b. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

**De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of a similar financial asset) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset.

**b. Financial Liabilities****Initial recognition and measurement**

The Group recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial



liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

**Subsequent measurement**

These liabilities include borrowings and deposits. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**De-recognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**c. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counter party.

**j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying asset are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**k) Employee Benefits:****d. Short-term benefit plans**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**e. Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions, if any, are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**f. Defined benefit plans**

The group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method [PUCM], which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

The group has subscribed to a group gratuity scheme of Life Insurance Corporation [LIC]. Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lumpsum after deduction of necessary taxes upto a maximum limit of liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Group makes contributions to the Gratuity Fund.

**l) Income Taxes:**

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are



measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

**m) Provisions, contingent liabilities and contingent assets:**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**n) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**o) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a 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 Group are segregated.

**p) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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



**Consolidated Balance Sheet as at March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	3,03,18,702	25,24,262
(b) Intangible assets	4	7,39,820	1,53,238
(c) Financial assets			
- Investments	5	25,25,000	20,00,000
- Loans	6	1,24,50,012	1,79,50,000
- Other non-current financial assets	7	34,659	5,58,892
(d) Deferred tax assets (Net)	8	29,64,033	30,60,980
(e) Other non-current assets	9	30,85,443	18,94,040
<b>Total non-current assets [A]</b>		<b>5,21,17,668</b>	<b>2,81,41,412</b>
<b>2 Current assets</b>			
(a) Financial assets			
- Investments	10	1,05,58,602	1,50,13,534
- Loans	11	21,65,00,000	10,97,50,000
- Trade receivables	12	8,90,86,804	4,24,74,434
- Cash and cash equivalents	13	7,68,59,039	12,29,65,509
- Bank balances other than above	14	71,59,14,046	26,31,97,032
- Other current financial assets	15	88,50,918	2,62,61,042
(b) Income taxes	16	-	14,65,129
(c) Other current assets	17	73,39,710	54,49,504
<b>Total current assets [B]</b>		<b>1,12,51,09,120</b>	<b>58,65,76,183</b>
<b>TOTAL ASSETS [A+B]</b>		<b>1,17,72,26,788</b>	<b>61,47,17,596</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	18	5,04,00,000	5,04,00,000
(b) Other Equity	19	19,78,60,342	16,09,85,961
<b>Total equity [A]</b>		<b>24,82,60,342</b>	<b>21,13,85,961</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
- Borrowings	20	1,68,58,780	-
- Other non current financial liabilities	21	39,743	2,67,830
(b) Provisions	22	52,95,318	52,26,816
<b>Total non-current liabilities [B]</b>		<b>2,21,93,841</b>	<b>54,94,646</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	23	5,12,20,479	58,993
- Trade payables	24	84,29,40,456	38,40,79,813
- Other current financial liabilities	25	6,42,671	9,70,382
(b) Provisions	26	9,09,358	4,05,279
(c) Income taxes	27	31,037	-
(d) Other current liabilities	28	1,10,28,604	1,23,22,522
<b>Total current liabilities [C]</b>		<b>90,67,72,605</b>	<b>39,78,36,989</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B+C]</b>		<b>1,17,72,26,788</b>	<b>61,47,17,596</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 50		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T. Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 25, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer



**Consolidated Statement of Profit and Loss for the year ended March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I REVENUE</b>			
Revenue from Operations (Gross)	29	29,72,78,349	23,67,08,627
Other Income	30	3,38,75,198	2,75,80,206
<b>TOTAL REVENUE [I]</b>		<b>33,11,53,547</b>	<b>26,42,88,833</b>
<b>II EXPENSES</b>			
Employee benefit expenses	31	5,67,70,218	6,28,46,405
Finance costs	32	72,19,361	54,79,572
Depreciation and amortization expense	3 & 4	23,25,656	21,32,764
Other expenses	33	7,70,25,127	6,33,99,745
Share of brokerage		13,46,18,479	10,75,61,750
<b>TOTAL EXPENSES [II]</b>		<b>27,79,58,841</b>	<b>24,14,20,236</b>
<b>III Profit Before Tax</b>		<b>5,31,94,706</b>	<b>2,28,68,597</b>
<b>IV Tax Expense:</b>			
- Current tax	34	1,38,85,478	61,31,959
- Adjustment of current tax relating to earlier years		28,43,232	-
- Deferred tax credit		96,949	(2,78,762)
<b>V Profit for the year</b>		<b>3,63,69,047</b>	<b>1,70,15,400</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		5,10,028	(26,12,217)
- Remeasurements of financial assets		(4,694)	4,902
- Recognition of borrowings using effective interest rate		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>3,68,74,381</b>	<b>1,44,08,084</b>
<b>VII Earnings per equity share Rs. 10/- each fully paid</b>			
- Basic	38	7.22	3.38
- Diluted	38	7.22	3.38
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 50		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T. Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 25, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer

**Consolidated Cash Flow Statement for the year ended March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the period		5,31,94,706	2,28,68,597
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		23,25,656	21,32,764
Interest expense other than lease liability		58,68,459	40,16,307
Interest expense on account of lease liability		49,951	1,00,271
Remeasurement of lease		(10,20,330)	(9,37,146)
Profit on sale of property, plant and equipment		-	(3,500)
Excess provision written back		-	(1,001)
Remeasurement of post employee benefits		5,10,028	(26,12,217)
Profit on sale of securities		-	(31,877)
Dividend income		(33,681)	(50,000)
Interest income		(3,37,52,533)	(2,74,22,767)
<b>Cash generated before working capital changes</b>		<b>2,71,42,255</b>	<b>(19,40,569)</b>
<b>Movements in working capital:</b>			
Increase/(Decrease) in trade payables		45,88,60,643	(79,59,943)
Increase/(Decrease) in other current liabilities		(12,93,918)	(4,57,434)
Increase/(Decrease) in long term provisions		68,502	28,84,290
Increase/(Decrease) in short term provisions		5,04,079	2,02,249
(Increase)/Decrease in trade receivables		(4,66,12,370)	7,09,21,547
(Increase)/Decrease in other non-current financial assets		3,11,588	3,632
(Increase)/Decrease in non-current loans		54,99,988	(23,50,000)
(Increase)/Decrease in current loans		(10,67,50,000)	9,93,62,962
(Increase)/Decrease in other non-current assets		(11,91,403)	11,07,139
(Increase)/Decrease in other current financial assets		1,66,84,510	(2,12,35,573)
(Increase)/Decrease in other current assets		(18,90,216)	(2,69,899)
<b>Cash generated from operations</b>		<b>35,13,33,659</b>	<b>14,02,68,400</b>
Income taxes paid		(1,52,32,545)	(56,57,573)
<b>Net cash flow (used in)/from operating activities (A)</b>		<b>33,61,01,114</b>	<b>13,46,10,827</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, including intangible assets		(2,97,73,110)	(11,88,478)
Net (Purchase)/Sale of current investments		44,54,935	(1,42,81,657)
(Investment)/Redemption of bank deposits		(45,27,17,014)	(4,36,44,710)
Proceeds from sale of property, plant and equipment		-	3,500
Dividend received		33,681	50,000
Interest received		3,37,52,533	2,74,22,767
<b>Net cash flow (used in)/from investing activities [B]</b>		<b>(44,42,48,974)</b>	<b>(3,16,38,577)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of)/Proceeds from short term borrowings		4,14,584	-
(Repayment of)/Proceeds from long term borrowings		1,68,58,780	-
(Investment)/redemption in debentures		(5,25,000)	(20,00,000)
Dividends paid on equity shares and tax on equity dividend paid		-	(1,21,51,974)
Interest paid		(58,68,459)	(40,16,307)
<b>Net cash flow (used in)/from financing activities [C]</b>		<b>1,08,79,905</b>	<b>(1,81,68,281)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		<b>(9,72,67,955)</b>	<b>8,48,03,969</b>
<b>E. Cash and cash equivalents</b>			
at the beginning of the year	13	12,29,06,515	3,81,02,546
at the end of the year		<b>2,56,38,560</b>	<b>12,29,06,515</b>
<b>Components of cash and cash equivalents</b>	2(n)		
Balance with banks			
- In current accounts		1,60,09,460	9,50,92,659
- Deposits with original maturity of less than 3 months		6,08,00,000	2,78,07,923
Cash on hand		49,579	64,926
<b>Less: Bank overdraft</b>		<b>(5,12,20,479)</b>	<b>(58,993)</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,56,38,560</b>	<b>12,29,06,515</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 50		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T. Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 25, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer



**Consolidated Statement of Changes in Equity for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**A. Equity share capital**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid up</b>		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year		
<b>Balance at the end of the reporting year</b>	<b>5,04,00,000</b>	<b>5,04,00,000</b>

**B. Other equity**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Movement in other equity is as follows:</b>		
<b>I. Capital Reserve</b>	<b>14,90,400</b>	<b>14,90,400</b>
<b>II. Securities Premium</b>	<b>2,26,16,151</b>	<b>2,26,16,151</b>
<b>III. General Reserve</b>	<b>11,46,655</b>	<b>11,46,655</b>
<b>IV. Retained Earnings</b>		
(i) Opening Balance	13,57,32,755	13,34,76,644
(ii) Profit for the year	3,63,69,047	1,70,15,401
(iv) Other comprehensive income	5,05,334	(26,07,315)
(v) Proposed dividend and tax on the same	-	(1,21,51,974)
	17,26,07,136	13,57,32,755
<b>Total</b>	<b>19,78,60,342</b>	<b>16,09,85,961</b>

**Notes to consolidated financial statements for the year ended March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 3: Property, Plant and Equipment**

Particulars	As at March 31, 2021	As at March 31, 2020
Building	2,76,27,796	-
Furniture and Fittings	2,04,022	2,68,875
Motor Vehicles	8,82,647	12,40,913
Computers and Data Processing Units	10,27,660	3,72,084
Office Equipment	5,76,577	6,42,391
<b>Total</b>	<b>3,03,18,702</b>	<b>25,24,262</b>

**For the year 2020-21**

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>I. Gross Block</b>						
Opening Balance	-	31,52,504	87,24,004	32,98,475	31,91,584	<b>1,83,66,568</b>
Additions	2,76,27,796	-	-	11,84,484	1,96,009	<b>2,90,08,289</b>
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	<b>2,76,27,796</b>	<b>31,52,504</b>	<b>87,24,004</b>	<b>44,82,959</b>	<b>33,87,593</b>	<b>4,73,74,856</b>
<b>II. Accumulated Depreciation</b>						
Opening Balance	-	28,83,629	74,83,091	29,26,392	25,49,193	<b>1,58,42,305</b>
Depreciation expense for the year	-	64,853	3,58,266	5,28,908	2,61,823	<b>12,13,850</b>
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at March 31, 2021	-	<b>29,48,482</b>	<b>78,41,357</b>	<b>34,55,300</b>	<b>28,11,016</b>	<b>1,70,56,155</b>
<b>III. Net Block [I-II]</b>						
Carrying value as at March 31, 2021	<b>2,76,27,796</b>	<b>2,04,022</b>	<b>8,82,647</b>	<b>10,27,660</b>	<b>5,76,577</b>	<b>3,03,18,702</b>
Carrying value as at March 31, 2020	-	<b>2,68,875</b>	<b>12,40,913</b>	<b>3,72,084</b>	<b>6,42,391</b>	<b>25,24,262</b>

**For the year 2019-20**

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>I. Gross Block</b>						
Opening Balance	-	29,62,015	87,24,004	29,00,712	25,91,359	<b>171,78,090</b>
Additions	-	1,90,489	-	3,97,763	6,00,225	<b>11,88,478</b>
Disposals	-	-	-	-	-	-
Balance as at March 31, 2020	-	<b>31,52,504</b>	<b>87,24,004</b>	<b>32,98,475</b>	<b>31,91,584</b>	<b>183,66,568</b>
<b>II. Accumulated Depreciation</b>						-
Opening Balance	-	28,05,247	70,28,941	26,43,748	23,59,207	<b>148,37,144</b>
Depreciation expense for the year	-	78,382	4,54,150	2,82,643	1,89,986	<b>10,05,162</b>
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at March 31, 2020	-	<b>28,83,629</b>	<b>74,83,091</b>	<b>29,26,392</b>	<b>25,49,193</b>	<b>158,42,305</b>
<b>III. Net Block [I-II]</b>						
Carrying value as at March 31, 2020	-	<b>2,68,875</b>	<b>12,40,913</b>	<b>3,72,084</b>	<b>6,42,391</b>	<b>25,24,263</b>
Carrying value as at March 31, 2019	-	<b>1,56,768</b>	<b>16,95,063</b>	<b>2,56,964</b>	<b>2,32,152</b>	<b>23,40,946</b>

**Note 4: Intangible Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Computer Software	7,39,820	1,53,238
<b>Total</b>	<b>7,39,820</b>	<b>1,53,238</b>

**For the year ended March 31, 2021**

Particulars	Computer Software
<b>I. Gross Block</b>	
Opening Balance	13,17,147
Additions	7,64,821
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>20,81,968</b>
<b>II. Accumulated Amortization</b>	
Opening Balance	11,63,909
Amortization expense for the year	1,78,239
Eliminated on disposal of assets	-
<b>Balance as at March 31, 2021</b>	<b>13,42,149</b>
<b>III. Net Block [I-II]</b>	
Carrying value as at March 31, 2021	7,39,820
Carrying value as at March 31, 2020	1,53,238

**For the year 2019-20**

Particulars	Computer Software
<b>I. Gross Block</b>	
Opening Balance	13,17,147
Additions	-
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>13,17,147</b>
<b>II. Accumulated Amortization</b>	
Opening Balance	9,35,213
Amortization expense for the year	2,28,697
Eliminated on disposal of assets	-
<b>Balance as at March 31, 2020</b>	<b>11,63,909</b>
<b>III. Net Block [I-II]</b>	
Carrying value as at March 31, 2020	1,53,238
Carrying value as at March 31, 2019	3,81,935

**Note 5: Non-current investments**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Unquoted Investments</b>		
Propspace Square Private Limited[4 (31.03.2020: Nil) debentures of par value Rs. 5,00,000 each]"	20,00,000	20,00,000
Actionable Science Labs Private Limited [525 (31.03.2020: Nil) debentures of par value Rs. 1,000 each]"	5,25,000	-
<b>Total</b>	<b>25,25,000</b>	<b>20,00,000</b>

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	25,25,000	20,00,000
Aggregate amount of impairment in the value of investments	-	-
Aggregate amount of fair value changes in the value of investments	-	-
Investments carried at cost	25,25,000	20,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

**Note 6: Non-current loans**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good Security deposits - Security deposits with Stock Exchanges/Clearing Houses	1,24,50,012	1,79,50,000
<b>Total</b>	<b>1,24,50,012</b>	<b>1,79,50,000</b>

**Note 7: Other non-current financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	-	3,16,281
Right to use asset	34,659	2,42,611
<b>Total</b>	<b>34,659</b>	<b>5,58,892</b>

**Note 8: Deferred tax asset (net)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>	-	-
Depreciation	15,44,403	17,72,357
Employee benefits	14,19,630	12,88,623
<b>Total</b>	<b>29,64,033</b>	<b>30,60,980</b>

**Note 9: Other non-current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	17,66,308	14,74,864
Prepaid expenses	13,19,135	4,19,176
<b>Total</b>	<b>30,85,443</b>	<b>18,94,040</b>

**Note 10: Current investments**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments in equity instruments (fully paid-up)</b>		
<b>(i) Quoted Investments</b>		
Quoted investments in shares and securities (valued at fair value through profit and loss account)		
Investment in shares	90,13,054	14,67,986
Quoted investments in mutual funds (valued at cost)		
Birla Sun Life Mutual Fund[2715.95 (31.03.2020: Nil)]	8,45,548	8,45,548
<b>(ii) Unquoted Investments</b>		
<b>(a) Other Investments:</b>		
Mahesh Vidya Bhavan Limited [20,000 (31.03.2020: 20,000) equity shares of face value Rs. 10 each]	2,00,000	2,00,000
Sevenhills Co-op Bank Limited [5,000 (31.03.2020: 5,000) equity shares of face value Rs. 10 each]"	5,00,000	5,00,000
<b>Total</b>	<b>1,05,58,602</b>	<b>1,50,13,534</b>

Aggregate amount of quoted investments and market value thereof 98,58,602 143,13,534

Aggregate amount of unquoted investments 7,00,000 7,00,000

Aggregate amount of impairment in the value of investments - -

Investments carried at cost 15,45,548 7,00,000

Investments carried at amortized cost - -

Investments carried at fair value through profit and loss 90,13,054 143,13,534

**Note 11: Current loans**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security margin money with Stock Exchanges/Clearing Houses	21,65,00,000	10,65,00,000
Margin with exchanges	-	32,50,000
Staff Advances	-	-
Loan given to BNR Foods Specialities LLP	-	-
<b>Total</b>	<b>21,65,00,000</b>	<b>10,97,50,000</b>

**Note 12: Trade Receivables**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Outstanding for a period exceeding six months	-	-
Others [Refer Note 41]	8,90,86,804	4,24,74,434
<b>Total</b>	<b>8,90,86,804</b>	<b>4,24,74,434</b>

**Note 13: Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
- In current accounts	1,60,09,460	9,50,92,659
- Deposits with original maturity of less than 3 months	6,08,00,000	2,78,07,923
Cash on hand	49,579	64,926
<b>Total</b>	<b>7,68,59,039</b>	<b>12,29,65,508</b>



**Note 14: Bank balances other than above**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) In earmarked accounts		
- Unpaid dividend accounts	14,89,046	14,72,032
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	32,50,000	40,50,000
- Remaining maturity for less than 12 months	71,11,75,000	25,76,75,000
<b>Total</b>	<b>71,59,14,046</b>	<b>26,31,97,032</b>

**Note 15: Other current financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	19,15,238	2,17,82,817
Interest accrued but not due	61,12,127	27,25,262
Advances to related parties	-	9,529
Advances to employees	6,15,600	8,09,867
Right to use	2,07,953	9,33,567
<b>Total</b>	<b>88,50,918</b>	<b>2,62,61,042</b>

**Note 16: Current tax asset [Net of provisions]**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax	-	75,97,088
Current Tax Liabilities	-	61,31,959
<b>Total</b>	<b>-</b>	<b>14,65,129</b>

**Note 17: Other current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	8,05,161	6,22,247
Balances with government authorities (other than income taxes)	4,31,989	4,18,808
Interest accrued on deposits with banks and others	1,48,468	2,20,493
Other current assets	59,54,092	41,87,956
<b>Total</b>	<b>73,39,710</b>	<b>54,49,504</b>

**Note 18: Share capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised:</b>				
Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000
<b>Total</b>	<b>50,40,000</b>	<b>5,04,00,000</b>	<b>50,40,000</b>	<b>5,04,00,000</b>

**(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2021</b>				
Number of shares	50,40,000	-	-	50,40,000
<b>Amount</b>	<b>50,40,000</b>	-	-	<b>50,40,000</b>
<b>Year ended March 31, 2020</b>				
Number of shares	50,40,000	-	-	50,40,000
<b>Amount</b>	<b>50,40,000</b>	-	-	<b>50,40,000</b>

**(b) Rights, preferences and restrictions attached to equity shares:**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. However, interim dividend can be declared by the Board of Directors subject to the provisions of the Companies Act 2013, relevant rules and regulations thereunder.

**(c) Details of shares held by each shareholder holding more than 5% shares\***

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
<b>Equity shares of Rs.10/- each fully paid</b>				
Hari Narayan Rathi	16,24,955	32.24%	16,24,955	32.24%
Chetan Rathi	4,98,534	9.89%	4,98,534	9.89%
Chanda Devi Rathi	3,12,406	6.20%	3,12,406	6.20%

\* As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**Note 19: Other equity**

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve	14,90,400	14,90,400
Securities Premium	2,26,16,151	2,26,16,151
General Reserve	11,46,655	11,46,655
Retained Earnings	17,26,07,136	13,57,32,755
<b>Total</b>	<b>19,78,60,342</b>	<b>16,09,85,961</b>

For details of movement during the year refer 'Statement of Changes in Equity'

**Nature and purpose of other equity:**
**(a) Capital Reserve**

This represents surplus amount on forfeiture of shares and premium on issue of shares

**(b) Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Act.

This represents appropriation of profit by the company.

**(d) Retained Earnings**

Retained earnings comprise of the company's accumulated undistributed earnings.

**Note 20: Non-Current Financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
<b>Term loan</b>		
- From bank	1,68,58,780	-
<b>Total</b>	<b>1,68,58,780</b>	<b>-</b>

Note: The term loan is secured by way of hypothecation of property purchased. The Loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 5 instalments.

**Note 21: Non-Current Financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability	39,743	2,67,830
<b>Total</b>	<b>39,743</b>	<b>2,67,830</b>

**Note 22: Non-Current Provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity [Refer Note 36]	52,95,318	52,26,816
<b>Total</b>	<b>52,95,318</b>	<b>52,26,816</b>

**Note 23: Current Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
<b>Working capital loan</b>		
<b>From bank</b>		
Rupee loans	5,12,20,479	58,993
<b>Total</b>	<b>5,12,20,479</b>	<b>58,993</b>

**Note 24: Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors - clients [Refer Note 41 & 42]	82,52,88,610	37,02,49,866
Creditors - NSEL	-	1,766
Sharing of Brokerage payable	1,17,45,312	83,36,203
Creditors - Suppliers and other services	-	4,375
Outstanding Liabilities	8,02,594	18,46,188
Other Payables	51,03,940	36,41,415
<b>Total</b>	<b>84,29,40,456</b>	<b>38,40,79,813</b>

**Note 25: Current financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of borrowings - Non current	4,14,584	-
[Refer Note 20]	2,28,087	9,70,382
Lease liabilities		
<b>Total</b>	<b>6,42,671</b>	<b>9,70,382</b>

Note: The term loan is secured by way of hypothecation of property purchased. The Loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 2 instalments.

**Note 26: Current Provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits - Gratuity [Refer Note 36]	9,09,358	4,05,279
<b>Total</b>	<b>9,09,358</b>	<b>4,05,279</b>

**Note 27: Current tax liability [Net of advance tax]**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax	1,38,54,441	-
Current Tax Liabilities	1,38,85,478	-
<b>Total</b>	<b>31,037</b>	<b>-</b>

**Note 28: Other Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend	14,89,046	16,21,924
Statutory remittances	34,17,696	38,82,803
Client margin deposits	59,22,119	55,08,563
Other deposits - Sub brokers	1,99,743	13,09,232
<b>Total</b>	<b>1,10,28,604</b>	<b>1,23,22,522</b>

**Note 29: Revenue from Operations (Gross)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2021
Income from broking operations	23,43,16,965	18,61,60,984
Other operating revenue	6,29,61,384	5,05,47,643
<b>Total</b>	<b>29,72,78,349</b>	<b>23,67,08,627</b>

**Note 30: Other Income**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2021</b>
Dividend income	33,681	50,000
Interest income on deposits	3,37,40,422	2,73,69,646
Interest	12,111	53,121
Commission income	22,992	-
Profit on sale of Property, plant and equipment	-	3,500
Profit on sale of securities	-	31,877
Miscellaneous income	65,991	71,061
Excess provision written back	-	1,001
<b>Total</b>	<b>338,75,198</b>	<b>275,80,206</b>

**Note 31: Employee Benefit Expenses**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2021</b>
Salaries, allowances and wages	5,32,43,309	5,96,06,343
Contribution to provident and other funds	30,73,626	26,65,354
Staff welfare expenses	4,53,283	5,74,708
<b>Total</b>	<b>5,67,70,218</b>	<b>6,28,46,405</b>

**Note 32: Finance Costs**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2021</b>
Interest expense on:	-	-
- Working Capital	63,148	3,80,304
- Secured loan	4,72,917	-
- Others	53,32,394	36,36,003
- Lease liability	49,951	1,00,271
- Delayed remittance of Income tax	1,33,684	46,483
Other borrowing costs	11,67,267	13,16,511
<b>Total</b>	<b>72,19,361</b>	<b>54,79,572</b>



**Note 33: Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2021
<b>Operating expenses:</b>		
Transaction charges	4,25,23,376	3,73,54,719
Other operating expenses	1,27,29,964	85,75,421
<b>Others:</b>		
Power and fuel	10,32,386	14,27,555
Rent [Refer Note 38(b) & 39]	16,05,665	22,88,270
Repairs and maintenance	7,18,793	19,89,718
Bank charges	-	-
Insurance	1,46,156	1,56,345
Rates and taxes	37,00,907	25,23,468
Membership and subscription fees	25,00,000	1,05,000
Communication	15,50,364	14,08,169
Travelling and conveyance	1,62,340	2,82,054
Printing and stationary	11,97,974	10,11,583
Business promotion	5,54,794	3,94,826
Donations	1,22,000	3,00,000
Loss on sale of investments	5,13,034	-
Legal and professional	27,62,329	13,61,237
Auditor's remuneration:		
- Statutory audit	2,48,600	2,31,800
- Internal audit	2,00,000	2,00,000
- Tax audit	70,000	70,000
- Certification	2,20,000	2,25,000
General and other administration expenses	44,66,445	34,94,580
<b>Total</b>	<b>7,70,25,127</b>	<b>6,33,99,745</b>

**Note 33: Income tax expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) Major components of income tax expense:</b>		
<b>(i) Current Income Tax</b>	-	-
- Current income tax charge	1,38,85,478	61,31,959
- Adjustments in respect of current income tax of previous year	28,43,232	-
	1,67,28,710	61,31,959
<b>(ii) Deferred Tax</b>		
- Relating to origination/reversal of temporary differences	96,949	(2,78,762)
	<b>96,949</b>	<b>(2,78,762)</b>
Income tax expense reported in the statement of profit or loss	<b>1,68,25,659</b>	<b>58,53,197</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Profit/(Loss) before tax from continuing operations	5,32,04,514	2,33,09,409
Indian tax rate	27.82%	27.55%
Tax at the Indian tax rate	1,34,12,499	58,66,978
Effect of:		
Non-Deductible expenses for tax purposes	10,39,072	7,25,429
Tax exempt income	-	(12,585)
Income taxed at special rates	(8,757)	-
Deferred Tax	96,949	(2,78,762)
Others	22,85,896	(4,47,864)
<b>Total Income Tax Expense</b>	<b>1,68,25,659</b>	<b>58,53,197</b>

**35. Contingent liabilities:**

Particulars	As at March 31, 2021	As at March 31, 2020
i) Bank Guarantees	19,00,00,000	20,00,00,000
ii) Income tax demand for AY 2011-2012 pending in appeal with ITAT, Hyderabad.	-	65,40,228

**36. Employee Benefits**

The Group has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet:

**Statement of Profit and Loss**
**Net employee benefit expenses recognized in the employee cost**

Particulars	March 31, 2021	March 31, 2020
Current service cost	6,80,404	6,97,756
Interest cost on benefit obligation	3,82,419	1,93,751
Expected return on plan assets	(1,81,767)	(1,93,268)
Net actuarial loss/(gain) recognized in the year	(5,10,028)	26,12,217
<b>Net benefit expense</b>	<b>3,71,027</b>	<b>33,10,457</b>

**Balance Sheet**
**Benefit liability**

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	62,04,676	56,32,095
Fair value of plan assets	(32,18,863)	(24,84,155)
<b>Plan liability</b>	<b>29,85,812</b>	<b>31,47,939</b>

**Changes in the present value of the defined benefit obligation are as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	56,32,095	25,45,556
Current service cost	6,80,404	6,97,756
Interest cost	3,82,419	1,93,751
Benefits paid	-	(2,47,327)
Actuarial gain/(losses) on obligation	(4,90,242)	24,42,358
<b>Closing defined benefit obligation</b>	<b>62,04,676</b>	<b>56,32,095</b>

**Changes in the fair value of plan assets are as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	24,84,155	23,66,511
Adjustment to opening balance	1,47,495	(4,438)
Expected return	1,81,767	1,93,268
Contributions by employer	3,85,660	3,46,000
Benefits paid	-	(2,47,327)
Actuarial (losses)/gains	19,786	(1,69,859)
<b>Closing fair value of plan assets</b>	<b>32,18,863</b>	<b>24,84,155</b>

**The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:**

Particulars	March 31, 2021	March 31, 2020
Discount rate (%)	6.92%	6.79%
Expected rate of return on assets (%)	6.92%	6.79%
Salary escalation (%)	4.00%	4.00%
Attrition rate (%)	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### 37. Segment information

The Group has considered business segments as the primary segments for disclosure on the basis that the risks and returns of the Group is primarily determined by nature of services. During the year, the group's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. There are two reportable Segments in the group namely Broking activities and Property development under Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

#### Information about the primary business segments

Particulars	For the year ended 31 March, 2021			For the year ended 31 March, 2020		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	297,278,349	-	297,278,349	236,708,627	-	236,708,627
Inter-segment revenue	-	-	-	-	-	-
	<b>297,278,349</b>	<b>-</b>	<b>297,278,349</b>	<b>236,708,627</b>	<b>-</b>	<b>236,708,627</b>
Segment result	26,558,369	(19,500)	26,538,869	823,652	(55,689)	767,963
Interest Expense	7,219,361	-	7,219,361	5,479,572	-	5,479,572
<b>Operating income</b>	<b>19,339,008</b>	<b>(19,500)</b>	<b>19,319,508</b>	<b>(4,655,920)</b>	<b>(55,689)</b>	<b>(4,711,609)</b>
Other income			33,875,198			27,580,206
<b>Profit before taxes</b>			53,194,706	-	-	22,868,597
Tax expense			16,825,659			5,853,197
<b>Profit for the year</b>			<b>36,369,047</b>			<b>17,015,400</b>
Segment assets	1,176,357,210	869,578	1,177,226,788	612,386,381	866,086	613,252,467
Unallocable assets	-	-	-	1,465,129	-	1,465,129
<b>Total assets</b>	<b>1,176,357,210</b>	<b>869,578</b>	<b>1,177,226,788</b>	<b>613,851,510</b>	<b>866,086</b>	<b>614,717,596</b>
Segment liabilities	1,177,195,751	-	1,177,195,751	614,717,596	-	614,717,596
Unallocable liabilities	30,130	907	31,037	-	-	-
<b>Total liabilities</b>	<b>1,177,225,881</b>	<b>907</b>	<b>1,177,226,788</b>	<b>614,717,596</b>	<b>-</b>	<b>614,717,596</b>
<b>Other information</b>						
Capital expenditure- Tangible	29,008,289	-	29,008,289	1,188,478	-	1,188,478
Depreciation and amortisation	2,325,656	-	2,325,656	2,132,764	-	2,132,764
Unallocated amortisation	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	<b>2,325,656</b>	<b>-</b>	<b>2,325,656</b>	<b>2,132,764</b>	<b>-</b>	<b>2,132,764</b>

**38. Related Party Disclosures**
**a) Names of the related parties and nature of relationship (as per Ind AS 24):**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
Key Management Personnel (KMP):	Hari Narayan Rathi – <b>Managing Director</b> Chetan Rathi – <b>Executive Director</b>
Investment in LLP where KMP is a Designated Partner	BNR Foods Specialities LLP Chanda Devi Rathi - Wife of Hari Narayan Rathi
Relatives of Key Management Personnel (KMP):	Nisha Rathi – Wife of Chetan Rathi Anuradha Pasari – Daughter of Hari Narayan Rathi Govind Narayan Rathi – Brother of Hari Narayan Rathi

**b) Transactions with related parties:**

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Rent Paid:</b>	<b>12,00,000</b>	<b>12,24,000</b>
- Chanda Devi Rathi	9,60,000	9,84,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
<b>Remuneration Paid:</b>	<b>1,14,00,000</b>	<b>1,00,20,000</b>
- Hari Narayan Rathi	57,00,000	51,00,000
- Chetan Rathi	48,00,000	42,00,000
- Nisha Rathi	9,00,000	7,20,000
<b>Dividend Paid:</b>	-	<b>52,74,838</b>
- Hari Narayan Rathi	-	32,49,910
- Chetan Rathi	-	9,97,068
- Chanda Devi Rathi	-	6,24,812
- Nisha Rathi	-	4,03,048
<b>Service Rendered – Brokerage Received:</b>	-	<b>28,487</b>
- Hari Narayan Rathi	-	10,484
- Chetan Rathi	-	8,053
- Chanda Devi Rathi	-	2,725
- Nisha Rathi	-	2,070
- Govind Narayan Rathi	-	3,464
- Anuradha Pasari	-	1,389
- Hari Narayan Rathi HUF	-	293
- Chetan Rathi HUF	-	9
<b>Loan advanced</b>	-	-
- BNR Food Specialities LLP	-	-
<b>Receipt of loan advanced</b>	-	<b>5,00,000</b>
- BNR Food Specialities LLP	-	5,00,000
<b>Rental Deposit recovered</b>	<b>60,000</b>	-
- Govind Narayan Rathi HUF	60,000	-

**c) Related party balances:**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Rent Deposit:</b>	<b>15,40,000</b>	<b>16,00,000</b>
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	40,000	1,00,000

**39. Leases:**

Operating Lease

Assets taken on cancellable operating lease

The Group is obligated under cancellable lease for office premises. Total lease rental expenses recognized in the statement of profit and loss for the year are as follows;

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating Lease – Cancellable	16,05,665	22,88,270
<b>Total</b>	<b>16,05,665</b>	<b>22,88,270</b>

**40. Earnings per Share (EPS):**
**i. Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after taxation as per statement of profit and loss (for basic EPS)	3,63,69,047	1,70,15,400
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>3,63,69,047</b>	<b>1,70,15,400</b>



**ii. Reconciliation of basic and diluted shares used in computing earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>50,40,000</b>	<b>50,40,000</b>

**iii. Earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Basic (Rs.)	7.22	3.38
- Diluted (Rs.)	7.22	3.38

**41. Balance Confirmations**

Confirmations of receivables and payable balances have not been received; hence, reliance is placed on the balances as per books. In the opinion of the management, the amounts are realizable/payable in the ordinary course of business.

**42. Due to Micro and Small Enterprises**

The Group has no dues to Micro and Small Enterprises as at March 31, 2021 and March 31, 2020 in the financial statements based on information received and available with the group.

43. During FY 2012-13, company entered into an agreement for sale of land with Mrs. Hari Gayathri, wife of Mr. Venkata Appa Rao Yeleswarapu, client of the company. Mr. Venkata Appa is liable to pay Rs. 34,43,070 to the company as on January 31, 2013. In the process of recovery, the company entered into an agreement for sale of land on February 01, 2013 with his wife for a consideration of Rs. 14,74,864. The consideration is to be treated as advance receivable by her from the company against the amount payable by her husband. The registration of land in favour of the company is pending. The company has decided to disclose the consideration under the head "Long term loans & advances" as 'Property pending for registration & possession.' The company has filed a suit for specific performance for the same. The status of the case is 'pending' and recovery of the same is doubtful.

#### 44. Fair Value Measurements

##### i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Particulars	March 31, 2021	March 31, 2020
Fair Value Hierarchy	1	1
<b>Financial Assets</b>		
Listed Equity Instruments	90,13,054	1,34,67,986
Investments in Mutual Funds	8,45,548	8,45,548
Fair Value Hierarchy	3	3
<b>Financial Assets</b>		
Other Financial Assets – Security Deposits	19,15,238	2,20,99,098
Other Investments	7,00,000	7,00,000
<b>Financial Liabilities</b>		
Borrowings	6,84,93,843	58,993

**iii. Financial Instruments by category**

**For amortized cost instruments, carrying value represents the best estimate of fair value:**

Particulars	Mar-21			Mar-20		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Equity investments	-	-	-	-	-	-
Other investments	9,013,054	-	19,070,548	13,467,986	-	18,545,548
Trade Receivables	-	-	89,086,804	-	-	42,474,434
Loans	-	-	228,950,012	-	-	127,700,000
Cash & Cash Equivalents	-	-	76,859,037	-	-	122,965,507
Other bank balances	-	-	715,914,046	-	-	263,197,032
Others	-	1,915,238	-	-	22,099,098	-
<b>Total</b>	<b>9,013,054</b>	<b>1,915,238</b>	<b>1,129,880,447</b>	<b>13,467,986</b>	<b>22,099,098</b>	<b>574,882,521</b>
<b>Financial Liabilities</b>						
Borrowings	-	68,493,843	-	-	-	58,993
Trade Payables	-	-	842,940,456	-	-	384,079,813
<b>Total</b>	<b>-</b>	<b>68,493,843</b>	<b>842,940,456</b>	<b>-</b>	<b>-</b>	<b>384,138,806</b>

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Board of Directors oversees the management of these risks. The Group's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Group. The senior management provides assurance to the Group's board of directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short maturity.

**45. Financial Instruments Risk Management**
**i. Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**a. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has exposure only to financial instruments at fixed interest rates. Hence, the group is not exposed to significant interest rate risk.

**b. Price Risk**

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. The majority of the group's equity instruments are publicly traded.

**ii. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, leading to a financial loss. The Group is mainly exposed to the risk of its balances with the bankers and trade and other receivables.

**Ageing of receivables is as follows:**

Particulars	March 31, 2021	March 31, 2020
Past due not impaired:	-	-
0-30 Days	8,69,12,753	4,20,34,973
31-90 Days	21,74,051	4,40,192
91-180 Days	-	-
Greater than 180 Days	-	-
<b>Total</b>	<b>8,90,86,804</b>	<b>4,24,75,165</b>

**iii. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. The Group's principal sources of liquidity are the cash flows generated from operations. The Group has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.



The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b>March 31, 2021</b>				
Borrowings	6,84,93,843	-	-	<b>6,84,93,843</b>
Trade Payables	84,29,40,456	-	-	<b>84,29,40,456</b>
<b>Total</b>	<b>91,14,34,299</b>	-	-	<b>91,14,34,299</b>
<b>March 31, 2020</b>				
Borrowings	58,993	-	-	<b>58,993</b>
Trade Payables	38,40,79,813	-	-	<b>38,40,79,813</b>
<b>Total</b>	<b>38,41,38,806</b>	-	-	<b>38,41,38,806</b>

#### 46. Capital Risk Management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Group may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the statement of financial position. Currently, the Group primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Group.

The capital for the reporting year under review is summarized as follows:

Particulars	March 31, 2021	March 31, 2020
Non-Current borrowings	1,68,58,780	-
Current borrowings	5,16,35,063	58,993
Total Debt	6,84,93,843	58,993
As a percentage of total capital	20.80%	0.03%
Equity	24,82,70,154	21,13,85,961
As a percentage of total capital	79.20%	99
<b>Total Capital [Debt and Equity]</b>	<b>3,16,763,997</b>	<b>21,14,44,954</b>

**47. Impact of Global Health Pandemic - COVID-19**

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Group has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

The Companies management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that situation as well as its assessment is continuously evolving, and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Companies management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

In assessing the recoverability of receivables and other financial assets, Companies has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Companies will continue to closely monitor any material changes to future economic conditions.

**48. Standards issued but not effective**

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

**49. Event occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 25, 2021, there were no subsequent events and transactions to be recognised or reported that are not already disclosed.

50. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

For and on behalf of the Board of Directors of  
B. N. RATHI SECURITIES LIMITED

Sd/-  
Laxminivas Sharma  
Chairman  
DIN: 00010899

Sd/-  
Hari Narayan Rathi  
Managing Director  
DIN: 00010968

Sd/-  
Chetan Rathi  
Executive Director-cum-CFO  
DIN: 00536441

Sd/-  
Sabitha Reddy  
Company Secretary

Sd/-  
M.V. Rao  
Compliance Officer

Place: Hyderabad  
Date: May 25, 2021

## DIRECTOR'S REPORT

To

The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 13th Annual report together with Audited accounts for the year ended 31st March, 2021.

### 1. FINANCIAL RESULTS:

Particular	2020-21	2019-20
Revenue from operations	66,25,728	68,65,694
Other income	13,80,472	20,89,341
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	25,55,614	(1,32,245)
Less: Depreciation/ Amortisation/ Impairment	35,225	59,037
Profit /loss before Finance Costs, Exceptional items and Tax Expense	25,20,389	(1,91,282)
Less: Finance Costs	2,978	1,95,275
Profit /loss before Exceptional items and Tax Expense	25,17,411	(3,86,557)
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	25,17,411	(3,86,557)
Less: Tax Expense (Current & Deferred)	6,83,733	(2,695)
Profit /loss for the year (1)	18,33,678	(3,83,862)
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	18,33,678	(3,83,862)
Balance of profit /loss for earlier years	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-	-

### TRANSFER TO RESERVES:

Directors have decided not to transfer any amount to reserves for the year.

### DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### STATE OF AFFAIRS/ COMPANY'S PERFORMANCE:

The total revenue of the Company for the financial year 2020-21 was Rs. 66,25,728 /- as against Rs. 68,65,694/- for the previous financial year. The company earned a profit of Rs. 18,33,677/- as against the net loss of Rs. 3,83,862/- for the previous year.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There were no material changes and commitments affecting Financial position of the company between 31st March, 2021 and the date of Board's Report. (i.e. 22.05.2021)

**MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes taken place subsequent to the date of financial statements.

**REVISION OF FINANCIAL STATEMENTS**

There was no revision of the financial statements for the year under review.

**CAPITAL OF THE COMPANY:**

Authorized Share capital and paid up share capital of the company stands at Rs. 1, 00, 00,000/- (Rupees one Crore Only) divided in to 10,00,000 equity shares of Rs.10/- each.

**TRANSFER OF UN-CLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION:**

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2021.

**DIRECTORS:**

During the year no directors were appointed or resigned from the office of Directorship.

**APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

**BOARD MEETINGS:**

The Board of Directors met five times during the year on 19.06.2020, 12.08.2020, 09.11.2020, and 10.02.2021 and the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

**COMMITTEES:**

The company does not meet the criteria of provisions of Companies Act, 2013 and thus Committees are not constituted.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Sec. 134(5) of the Companies Act, 2013 the Board of Directors of your Company hereby certifies and confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual accounts on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. proper and sufficient care has been taken for the maintenance of adequate accounting records in



accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

**Internal financial controls:**

Internal financial controls with reference to the financial statements are adequate and operating effectively.

No Frauds reported by statutory auditors

During the Financial Year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**SUBSIDIARY COMPANY:**

Your Company does not have any subsidiary.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

**Details of deposits not in compliance with the requirements of the Act:**

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2021, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not taken any loan, guarantee or investment as specified under section 186 of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Your Directors draw attention of the members to Note 26 to the financial statement which sets out related party disclosures.

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company does not has the net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the financial year, so section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company and hence the Company need not adopt any Corporate Social Responsibility Policy.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

**A. Conservation of Energy**

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is

not included in the industries specified in the schedule.

**B. Technology Absorption**

- |   |       |
|---|-------|
| 1. Research and Development (R&D)                 | : Nil |
| 2. Technology absorption, adoption and innovation | : Nil |

**C. Foreign Exchange Earnings and Out Go**

- |                           |       |
|---------------------------|-------|
| Foreign Exchange Earnings | : Nil |
| Foreign Exchange Outgo    | : Nil |

**RISK MANAGEMENT POLICY:**

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company is not required to form such policy

**STATUTORY AUDITOR AND AUDITORS' REPORT**

The existing auditors M/s. Sesachalam & Co, Chartered Accountants, Hyderabad appointed as statutory auditors of the Company for the term of five years from the conclusion of 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in the year 2024 with the approval of shareholders. The Auditors' Report for fiscal 2021 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**SECRETARIAL STANDARDS:**

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**INSURANCE:**

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

**PARTICULARS OF EMPLOYEES:**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs. 60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

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

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

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, during the year under review, there were no Complaints pertaining to sexual harassment.

**INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**EVENT BASED DISCLOSURES**

There were no instances which require event-based disclosures during the year.

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review

**For and on behalf of the Board  
B N Rathi Comtrade Private Limited**

**Sd/-  
Hari Narayan Rathi  
Director  
(DIN:00010968)**

**Place: Hyderabad  
Date: 22.05.2021**

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF B.N. RATHI COMTRADE PRIVATE LIMITED

Report on the Audit of Standalone Financial Statements

### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of B.N. Rathi Comtrade Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2021, and profit/loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
  - (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position



- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.:201042  
UDIN: 21201042AAAABJ5310**

**HYDERABAD, MAY 22, 2021**

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**Annexure 1 to the Independent Auditors' Report**

Re: B.N. Rathi Comtrade Private Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the Company has no immovable property. Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and services tax and other statutory dues applicable to it. Provisions of sales-tax, wealth tax, customs duty, excise duty, value added tax and cess are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. Provisions of sales-tax, customs duty, excise duty, value added tax and cess are not applicable to the Company.



- (c) There are no dues of provident fund, employees' state insurance, income tax, service tax and other material statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans taken from banks.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.: 201042  
UDIN: 21201042AAAABJ5310**

**PLACE: HYDERABAD  
DATE: 22.05.2021**

**Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of B.N.Rathi Comtrade Private Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**TO THE MEMBERS OF B.N. RATHI COMTRADE PRIVATE LIMITED**

We have audited the internal financial controls over financial reporting of B.N. Rathi Comtrade Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 22, 2021 expressed an unqualified opinion.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.:201042  
UDIN:21201042AAAABJ5310**

**PLACE: HYDERABAD  
DATE: 22.05.2021**

**1. Corporate Information:**

B.N. Rathi Comtrade Private Limited ("BNRCPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on July 10, 2008. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

The Company is primarily engaged in the business of broking in commodities.

**2. Significant Accounting Policies:**

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation:**

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

**b) Basis of Measurement:**

The Ind AS financial statements have been prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

**c) Use of estimates and judgements:**

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements.

These estimates are based upon management's best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

**d) Fair value measurement:**

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

**e) Property, plant and equipment:****i. Recognition and initial measurement:**

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**ii. Depreciation, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided on written down value method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii. De-recognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

**iv. Transition to Ind AS:**

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**f) Impairment of assets:**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**g) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment net of taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. Trading income is recognized when a legally binding contract is executed.

Brokerage income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transaction by the exchanges.

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

**h) Leases:**

Where the lessor effectively retains all risk and benefits of ownership of the leased items, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis.

**i) Financial Instruments:****a. Financial Assets****Initial recognition and measurement**

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular way purchase and sale of financial assets are accounted for at trade date.

**Subsequent measurement**

- a. Debt instruments at amortized cost – A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- b. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets A financial asset (or, where applicable, a part of a financial asset or part of a group of a similar financial asset) is primarily de-recognized (i.e., removed from the company's separate balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset.

#### **b. Financial Liabilities**

Initial recognition and measurement

The company recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

#### **Subsequent measurement**

These liabilities include borrowings and deposits. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **c. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

#### **j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying asset are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

#### **k) Income Taxes:**

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly inequity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either



another comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant on-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or losses recognized outside profit or loss (either in other comprehensive income or in equity).

**l) Provisions, contingent liabilities and contingent assets:**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**m) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**n) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a 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.

**o) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including bonus issue.

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



**B. N. RATHI COMTRADE PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	1,34,349	1,69,574
(b) Financial Assets			
- Investments	4	25,25,000	20,00,000
- Loans	5	10,00,000	65,00,000
(c) Deferred tax assets (Net)	6	2,77,410	3,49,418
<b>Total Non-Current Assets [A]</b>		<b>39,36,759</b>	<b>90,18,992</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
- Investments	7	90,13,054	1,34,67,986
- Loans	8	5,00,000	37,50,000
- Trade receivables	9	1,10,99,528	-
- Cash and cash equivalents	10	2,55,518	7,982
- Bank balances other than above	11	2,07,50,000	1,77,50,000
(b) Current tax asset [Net of provision]	12	-	2,01,829
(c) Other current assets	13	7,36,213	3,08,238
<b>Total Current Assets [B]</b>		<b>4,23,54,313</b>	<b>3,54,86,035</b>
<b>TOTAL ASSETS [A+B]</b>		<b>4,62,91,072</b>	<b>4,45,05,027</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	14	1,00,00,000	1,00,00,000
(b) Other Equity	15	3,62,73,570	3,44,39,893
<b>Total Equity [A]</b>		<b>4,62,73,570</b>	<b>4,44,39,893</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	16	-	58,993
- Trade payables	17	-	6,141
(b) Current tax liability [Net of advance tax]	18	17,502	-
(c) Other current liabilities		-	-
<b>Total Non-Current Liabilities [B]</b>		<b>17,502</b>	<b>65,134</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B]</b>		<b>4,62,91,072</b>	<b>4,45,05,027</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 35		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 22, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI COMTRADE PRIVATE LIMITED

Sd/-  
Chetan Rathi  
Director  
DIN: 00536441

Sd/-  
Nisha Rathi  
Executive Director  
DIN: 02210852



**B. N. RATHI COMTRADE PRIVATE LIMITED**  
**Statement of Profit and Loss for the period ended March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2021	For the year ended March 31, 2020
<b>I REVENUE</b>			
Revenue from Operations (Gross)	19	66,25,728	68,65,694
Other Income	20	13,80,472	20,89,341
<b>TOTAL REVENUE [I]</b>		<b>80,06,200</b>	<b>89,55,035</b>
<b>II EXPENSES</b>			
Employee benefit expenses	21	13,19,458	25,89,145
Finance costs	22	2,978	1,95,275
Depreciation and amortization expense	3	35,225	59,037
Other expenses	23	41,31,128	37,31,814
Share of brokerage		-	27,66,321
<b>TOTAL EXPENSES [II]</b>		<b>54,88,789</b>	<b>93,41,592</b>
<b>III Profit Before Tax [I-II]</b>		<b>25,17,411</b>	<b>(3,86,557)</b>
<b>IV Tax Expense</b>			
- Current tax	24	6,11,725	-
- Deferred tax credit		72,008	(2,695)
<b>V Profit for the period</b>		<b>18,33,677</b>	<b>(3,83,862)</b>
<b>VI Earnings per equity share Rs. 10/- each fully paid</b>			
- Basic	28	1.83	(0.38)
- Diluted	28	1.83	(0.38)
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 35		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 22, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI COMTRADE PRIVATE LIMITED

Sd/-  
Chetan Rathi  
Director  
DIN: 00536441

Sd/-  
Nisha Rathi  
Executive Director  
DIN: 02210852



**B. N. RATHI COMTRADE PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		25,17,411	(3,86,557)
Adjustments:			
Depreciation		35,225	59,037
Interest expense		2,978	56,391
Interest income		(12,30,138)	(20,18,280)
<b>Cash generated before working capital changes</b>		<b>13,25,476</b>	<b>(22,89,409)</b>
<b>Movements in working capital:</b>			
(Decrease)/Increase in trade payables		(6,141)	(8,13,01,006)
(Decrease)/Increase in other current liabilities		-	(16,60,273)
Decrease/(Increase) in trade receivables		(1,10,99,528)	4,33,71,784
Decrease/(Increase) in loans and advances		55,00,000	-
Decrease/(Increase) in other current assets		(4,27,975)	6,90,043
Decrease/(Increase) in current loans		32,50,000	34,62,962
<b>Cash generated from operations</b>		<b>(14,58,168)</b>	<b>(3,77,25,899)</b>
Direct taxes paid (Net of refunds received)		(3,92,394)	(2,46,155)
<b>Net cash flow (used in)/from operating activities [A]</b>		<b>(18,50,562)</b>	<b>(3,79,72,054)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(1,35,437)
(Investment) in shares		44,54,931	(1,34,67,986)
Proceeds from sale of property, plant and equipment		-	-
Interest received		12,30,138	20,18,280
<b>Net cash flow (used in)/from investing activities [B]</b>		<b>56,85,069</b>	<b>(1,15,85,143)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Investment)/redemption of bank deposits		(30,00,000)	2,80,00,000
(Investment)/redemption in debentures		(5,25,000)	(20,00,000)
Interest paid		(2,978)	(56,391)
<b>Net cash flow (used in)/from financing activities [C]</b>		<b>(35,27,978)</b>	<b>2,59,43,609</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		<b>3,06,529</b>	<b>(2,36,13,588)</b>
<b>E. Cash and cash equivalents</b>			
at the beginning of the year	10	(51,011)	2,35,62,577
at the end of the year		<b>2,55,518</b>	<b>(51,011)</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks			
- In current accounts		2,47,583	47
- Deposits with original maturity of less than 3 months		-	-
Cash on hand		7,935	7,935
<b>Less: Bank overdraft</b>		<b>-</b>	<b>(58,993)</b>
<b>Cash and cash equivalents at the end of the year</b>	2(m)	<b>2,55,518</b>	<b>(51,011)</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 35		

As per our report on even date

For Seshachalam & Co.  
 Chartered Accountants  
 Firm Registration Number: 003714S

T Bharadwaj  
 Partner  
 Membership No.: 201042

Place: Hyderabad  
 Date: May 22, 2021

For and on behalf of the Board of Directors of  
 B. N. RATHI COMTRADE PRIVATE LIMITED

Sd/-  
 Chetan Rathi  
 Director  
 DIN: 00536441

Sd/-  
 Nisha Rathi  
 Executive Director  
 DIN: 02210852





**B. N. RATHI COMTRADE PRIVATE LIMITED**  
**Statement of Changes in Equity for the period ended March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

**A. Equity Share Capital**

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	1,00,00,000	1,00,00,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>

**B. Other Equity**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<i>Movement in other equity is as follows:</i>		
<b>I. General Reserve</b>	<b>1,79,700</b>	<b>1,79,700</b>
<b>II. Retained Earnings</b>		
(i) Opening Balance	3,42,60,193	3,46,44,055
(ii) Profit for the year	18,33,677	(3,83,862)
	<b>3,60,93,870</b>	<b>3,42,60,193</b>
<b>Total</b>	<b>3,62,73,570</b>	<b>3,44,39,893</b>

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 22, 2021

For and on behalf of the Board of Directors of  
B. N. RATHI COMTRADE PRIVATE LIMITED

Sd/-  
Chetan Rathi  
Director  
DIN: 00536441

Sd/-  
Nisha Rathi  
Executive Director  
DIN: 02210852

**B. N. RATHI COMTRADE PRIVATE LIMITED**  
**Statement of Changes in Equity for the period ended March 31, 2021**  
(All amounts in Indian Rupees, unless otherwise stated)

Note 3: Property, Plant and Equipment

Particulars	As at March 31, 2021	As at March 31, 2020
Furniture's and Fittings	71,968	90,697
Motor Vehicles	9,441	12,736
Computers and Data Processing Units	5,110	5,934
Office Equipments	47,830	60,207
Total	1,34,349	1,69,574

For the period 2020-21

Description of assets	Furniture's and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipments	Total
I. Gross Carrying Amount					
As at April 01, 2020	22,84,006	66,462	5,73,097	5,33,842	34,57,407
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2021	22,84,006	66,462	5,73,097	5,33,842	34,57,407
II. Accumulated Amortization					
Upto April 01, 2020	21,93,309	53,726	5,67,163	4,73,635	32,87,833
Depreciation expense for the period	18,729	3,296	824	12,377	35,225
Eliminated on disposal of assets	-	-	-	-	-
Upto March 31, 2021	22,12,038	57,021	5,67,987	4,86,012	33,23,058
III. Net Carrying Amount [I-II]					
As at March 31, 2021	71,968	9,441	5,110	47,830	1,34,349
As at March 31, 2020	90,697	12,736	5,934	60,207	1,69,574

**Note 4: Non-Current Investments [Refer Note 31(iii)]**

Particulars	As at March 31, 2021	As at March 31, 2020
<b><u>Investments in convertible debentures (fully paid-up)</u></b>		
<b>Unquoted Investments</b>		
- Propospace Square Private Limited [4 (31.03.2020: Rs. 20,00,000) debentures of par value Rs. 5,00,000 each]	20,00,000	20,00,000
- Actionable Science Labs Private Limited [525 (31.03.2020: Nil) debentures of par value Rs. 1,000 each]	5,25,000	-
<b>Total</b>	<b>25,25,000</b>	<b>20,00,000</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	25,25,000	20,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	25,25,000	20,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

**Note 5: Non-Current Loans [Refer Note 31(iii)]**

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good</i>		
Security deposits		
- Security Deposits with Stock Exchanges/Clearing Houses	10,00,000	65,00,000
<b>Total</b>	<b>10,00,000</b>	<b>65,00,000</b>

**Note 6: Deferred Tax Asset (net)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>		
Depreciation	2,77,410	3,49,418
<b>Total</b>	<b>2,77,410</b>	<b>3,49,418</b>

**Note 7: Current Investments [Refer Note 31(iii)]**

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Quoted investments in shares and securities [valued at fair value through profit and loss account]</i>		
Investment in shares	90,13,054	1,34,67,986
<b>Total</b>	<b>90,13,054</b>	<b>1,34,67,986</b>

Aggregate amount of quoted investments and market value thereof 90,13,054 1,34,67,986

Aggregate amount of unquoted investments - -

Aggregate amount of impairment in the value of investments - -

Investments carried at cost - -

Investments carried at amortized cost - -

Investments carried at fair value through profit and loss 90,13,054 1,34,67,986

**Note 8: Current Loans [Refer Note 31(iii)]**

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits [Unsecured, considered good] [Refer Note 26(iii)]	5,00,000	5,00,000
Margin with exchanges	-	32,50,000
<b>Total</b>	<b>5,00,000</b>	<b>37,50,000</b>

**Note 9: Trade Receivables**

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months [Refer Note 29 & 32]	-	-
Others	1,10,99,528	-
<b>Total</b>	<b>1,10,99,528</b>	<b>-</b>

**Note 10: Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
- In current accounts	2,47,583	47
- Deposits with original maturity of less than 3 months	-	-
Cash on hand	7,935	7,935
<b>Total</b>	<b>2,55,518</b>	<b>7,982</b>

**Note 11: Bank balances other than above**

Particulars	As at March 31, 2021	As at March 31, 2020
On deposit accounts		
- Remaining maturity for more than 12 months	-	-
- Remaining maturity for less than 12 months	2,07,50,000	1,77,50,000
<b>Total</b>	<b>2,07,50,000</b>	<b>1,77,50,000</b>

**Note 12: Current tax asset [Net of provision]**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax	-	2,01,829
Current Tax Liabilities	-	-
<b>Total</b>	<b>-</b>	<b>2,01,829</b>

**Note 13: Other current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities	87,745	87,745
Interest accrued on deposits with banks and others	1,48,468	2,20,493
Deposits with others	5,00,000	-
<b>Total</b>	<b>7,36,213</b>	<b>3,08,238</b>

**Note 14: Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

**(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2021</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	<b>1,00,00,000</b>	-	-	<b>1,00,00,000</b>
<b>Year ended March 31, 2020</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	<b>1,00,00,000</b>	-	-	<b>1,00,00,000</b>

**(b) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one

**(c) Details of shares held by Holding Company**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
B. N. Rathi Securities Limited	10,00,000	100%	10,00,000	100%

**(d) Details of shares held by each shareholder holding more than 5% shares\***

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
B N Rathi Securities Limited	10,00,000	100%	10,00,000	100%

\*As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**Note 15: Other Equity**

Particulars	As at March 31, 2021	As at March 31, 2020
General Reserve	1,79,700	1,79,700
Retained Earnings	3,60,93,870	3,42,60,193
<b>Total</b>	<b>3,62,73,570</b>	<b>3,44,39,893</b>

For details of movement during the year refer '*Statement of Changes in Equity*'

**Nature and purpose of Other Equity:****(a) General Reserve**

This represents appropriation of profit by the company.

**(b) Retained Earnings**

Retained earnings comprise of the company's accumulated undistributed earnings.

**Note 16: Current Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Bank overdraft - Secured	-	58,993
<b>Total</b>	<b>-</b>	<b>58,993</b>

**Note 17: Trade Payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors - NSEL	-	1,766
Creditors - Suppliers and other services	-	4,375
<b>Total</b>	<b>-</b>	<b>6,141</b>

**Note 18: Current tax liability [Net of advance tax]**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax	5,94,223	-
Current Tax Liabilities	6,11,725	-
<b>Total</b>	<b>17,502</b>	<b>-</b>

**Note 19: Revenue from Operations (Gross)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from broking operations	-	49,39,697
Other operating revenue	66,25,728	19,25,997
<b>Total</b>	<b>66,25,728</b>	<b>68,65,694</b>

**Note 20: Other income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on deposits with bank	10,66,134	19,66,046
Interest on deposits with others	38,551	-
Interest on debentures	1,64,004	52,234
Dividend income	33,681	-
Interest on income tax refund	12,111	-
Miscellaneous income	65,991	71,061
<b>Total</b>	<b>13,80,472</b>	<b>20,89,341</b>

**Note 21: Employee Benefit Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and bonus	13,19,458	25,89,145
<b>Total</b>	<b>13,19,458</b>	<b>25,89,145</b>

**Note 22: Finance Costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
- Working Capital	2,978	56,391
- Delayed remittance of Income tax	-	12,414
Other borrowing costs	-	1,26,470
<b>Total</b>	<b>2,978</b>	<b>1,95,275</b>

**Note 23: Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Operating expenses:</b>		
Transaction charges	-	19,21,032
Other operating expenses	-	3,00,000
<b>Others:</b>		
Power and Fuel	-	1,02,659
Rent [Refer Note 27]	2,40,000	2,74,500
Repairs and maintenance	-	4,38,316
Insurance	1,091	4,359
Rates and taxes	3,100	54,091
Membership and subscription fees	25,00,000	1,05,000
Communication	-	1,57,813
Travelling and conveyance	-	8,278
Business promotion	-	15,000
Legal and professional	10,49,590	65,200
Auditor's remuneration:		
- Statutory audit	11,800	-
- Tax audit	-	-
- Certification	-	-
Other expenses	3,25,547	2,85,566
<b>Total</b>	<b>41,31,128</b>	<b>37,31,814</b>

**Note 24: Income Tax Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b><u>(a) Major components of income tax expense:</u></b>		
<b>(i) Current Income Tax</b>		
- Current income tax charge	6,11,725	-
- Adjustments in respect of current income tax of previous year	-	-
	<b>6,11,725</b>	<b>-</b>
<b>(ii) Deferred Tax</b>		
- Relating to origination/reversal of temporary differences	72,008	(2,695)
	<b>72,008</b>	<b>(2,695)</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>6,83,733</b>	<b>(2,695)</b>
<b><u>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</u></b>		
Profit/(Loss) before tax from continuing operations	25,17,411	(3,86,557)
Indian tax rate	26.00%	26.00%
<b>Tax at the Indian tax rate</b>	<b>6,54,527</b>	<b>-</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes	9,159	-
Tax exempt income	8,757	-
Deferred tax relating to origination / reversal of temporary differences	72,008	(2,695)
Others	(43,203)	-
<b>Total Income Tax Expense</b>	<b>6,83,733</b>	<b>(2,695)</b>

**25. Segment information**

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financial instruments and deferred tax assets are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

**26. Related Party Disclosures**
**a) Names of the related parties and nature of relationship (as per Ind AS 24):**

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Key Management Personnel (KMP):	Nisha Rathi – <b>Executive Director</b>
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi – Mother-in-law of Nisha Rathi
	Chetan Rathi – Husband of Nisha Rathi

**b) Transactions with related parties:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Remuneration Paid:</b>	<b>9,00,000</b>	<b>7,20,000</b>
- Nisha Rathi	9,00,000	7,20,000
<b>Rent Paid:</b>	<b>2,40,000</b>	<b>2,40,000</b>
- Chanda Devi Rathi	2,40,000	2,40,000
<b>Sharing of expenses</b>	-	<b>14,58,428</b>
- B. N. Rathi Securities Limited	-	14,58,428
<b>Sharing of expenses paid</b>	-	<b>14,58,428</b>
- B. N. Rathi Securities Limited	-	14,58,428

**c) Related party balances:**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Rent Deposit receivable:</b>	<b>5,00,000</b>	<b>5,00,000</b>
- Chanda Devi Rathi	5,00,000	5,00,000

**27. Leases:**
**Operating Lease**
**Assets taken on cancellable operating lease**

The company is obligated under cancellable lease for office premises. Total lease rental expenses recognized in the statement of profit and loss for the year are as follows;

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cancellable	2,40,000	2,74,500
<b>Total</b>	<b>2,40,000</b>	<b>2,74,500</b>

**28. Earnings per Share (EPS):**
**i. Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after taxation as per statement of profit and loss (for basic EPS)	18,33,677	(3,83,862)
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>18,33,677</b>	<b>(3,83,862)</b>

**ii. Reconciliation of basic and diluted shares used in computing earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of weighted average equity shares considered for calculating of basic EPS	10,00,000	10,00,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>10,00,000</b>	<b>10,00,000</b>



**iii. Earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Basic (Rs.)	1.83	(0.38)
- Diluted (Rs.)	1.83	(0.38)

**29. Balance Confirmations**

Confirmations of receivables and payable balances have not been received by the Company; hence, reliance is placed on the balances as per books. In the opinion of the management, the amounts are realizable/payable in the ordinary course of business.

**30. Due to Micro and Small Enterprises**

The Company has no dues to Micro and Small Enterprises as at March 31, 2021 and March 31, 2020 in the financial statements based on information received and available with the company.

**31. Fair Value Measurements**
**i. Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**ii. Financial assets and financial liabilities measured at fair value**

Particulars	March 31, 2021	March 31, 2020
Fair Value Hierarchy	1	1
<b>Financial Assets</b>		
Listed instruments	90,13,054	13,467,986

**iii. Financial Instruments by category**

For amortized cost instruments, carrying value represents the best estimate of fair value:

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>FINANCIAL ASSETS</b>						
Equity instruments	-	-	-	-	-	-
Other Investments	9,013,054	-	2,525,000	13,467,986	-	2,000,000
Trade Receivables	-	-	11,099,528	-	-	-
Loans	-	-	1,500,000	-	-	10,250,000
Cash and cash equivalents	-	-	255,518	-	-	7,982
Other bank balances	-	-	20,750,000	-	-	17,750,000
<b>TOTAL</b>	<b>9,013,054</b>	<b>-</b>	<b>36,130,046</b>	<b>13,467,986</b>	<b>-</b>	<b>30,007,982</b>
<b>FINANCIAL LIABILITIES</b>						
Borrowings	-	-	-	-	-	58,993
Trade Payables	-	-	-	-	-	6,141
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,134</b>

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments in equity shares.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short maturity.

### **32. Financial Instruments Risk Management**

#### **i. Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### **a. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has exposure only to financial instruments at fixed interest rates. Hence, the company is not exposed to significant interest rate risk.

#### **b. Price Risk**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss.

#### **ii. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables.

**Ageing of receivables is as follows:**

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Past due not impaired:		
0-30 Days	1,10,99,528	-
31-60 Days	-	-
61-90 Days	-	-
91-180 Days	-	-
Greater than 180 Days	-	-
<b>Total</b>	<b>1,10,99,528</b>	<b>-</b>

#### **iii. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company considers the liquidity of the market in which the entity operates. The Company's principal sources of liquidity are the cash flows generated from operations. The Company has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.



The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b>March 31, 2021</b>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>March 31, 2020</b>				
Borrowings	58,993	-	-	<b>58,993</b>
Trade Payables	6,141	-	-	<b>6,141</b>
<b>Total</b>	<b>65,134</b>	<b>-</b>	<b>-</b>	<b>65,134</b>

### 33. Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

Particulars	March 31, 2021	March 31, 2020
Current Borrowings [Refer Note 16]	-	58,993
<b>Total Debt</b>	<b>-</b>	<b>58,993</b>
As a percentage of total capital	0.00%	0.13%
<b>Equity [Refer Note 14 and 15]</b>	<b>4,62,73,570</b>	<b>4,44,39,893</b>
As a percentage of total capital	100.00%	99.87%
<b>Total Capital [Debt and Equity]</b>	<b>4,62,73,570</b>	<b>4,44,98,886</b>

### 34. Impact of Global Health Pandemic - COVID-19

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

In assessing the recoverability of receivables and other financial assets, Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

### 35. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

For and on behalf of the Board of Directors of  
B. N. RATHI COMTRADE PRIVATE LIMITED

Place: Hyderabad  
Date: May 22, 2021

Sd/-  
Chetan Rathi  
Director  
DIN: 00536441

Sd/-  
Nisha Rathi  
Executive Director  
DIN: 02210852

**DIRECTOR'S REPORT**

To

The Members of B N Rathi Industries Private Limited,

We have pleasure in presenting the 9th Annual report together with Audited accounts for the year ended 31st March, 2021.

**1. FINANCIAL RESULTS:**

Amounts in Rupees

<b>Particular</b>	<b>2020-21</b>	<b>2019-2020</b>
Revenue from operations	-	-
Other income	22,992	1,435
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3,492	(54,254)
Less: Depreciation/ Amortisation/ Impairment	-	-
Profit /loss before Finance Costs, Exceptional items and Tax Expense	3,492	(54,254)
Less: Finance Costs	-	-
Profit /loss before Exceptional items and Tax Expense	3,492	(54,254)
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	3,492	(54,254)
Less: Tax Expense (Current & Deferred)	907	-
Profit /loss for the year (1)	2,585	(54,254)
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	-	-
Balance of profit /loss for earlier years	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-	-

**TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

**DIVIDEND:**

No Dividend is declared during the year.

**STATE OF AFFIARS /COMPANY'S PERFORMANCE:**

The Company has made a profit of Rs. 0.02 lakhs.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There were no material changes and commitments affecting Financial position of the company between 31st March 2021 and the date of Board's Report. ( i.e. 22.05.2021)

**REVISION OF FINANCIAL STATEMENTS**

There was no revision of the financial statements for the year under review.

**CAPITAL OF THE COMPANY:**

Authorized Share capital of the Company stands at 1,50,00,000/- (Rupees Once Crore and Fifty Lakhs Only) divided into 15,00,000 equity shares of Rs. 10/- each and paid up share capital of the company stands at Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided into 5,00,000 equity shares of Rs. 10/- each.

**TRANSFER OF UN-CLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

There is no such amount of un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2021.

**DIRECTORS:**

During the year no directors were appointed or resigned from the office of Directorship.

**APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

**BOARD MEETINGS:**

The Board of Directors met 4 times during the year on 16.06.2020, 12.08.2020, 07.11.2020 and 10.02.2021 and the maximum gap between any two meetings was less than four months, as stipulated under Provisions of Companies Act, 2013.

**COMMITTEES:**

The company does not meet the criteria of provisions of Companies Act, 2013 and thus Committees are not constituted.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Sec. 134(5) of the Companies Act, 2013 the Board of Directors of your Company hereby certifies and confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual accounts on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

**INTERNAL FINANCIAL CONTROLS:**

Internal financial controls with reference to the financial statements are adequate and operating effectively.

**NO FRAUDS REPORTED BY STATUTORY AUDITORS:**

During the financial year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under section 134(3) (Ca) of the Companies Act, 2013.

**SUBSIDIARY COMPANY:**

Your Company does not have any subsidiary.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

**DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:**

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2021, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not taken any loan, guarantee, or investment as specified under section 186 of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Your Directors draw attention of the members to Note 12 to the financial statement which sets out related party disclosures

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company does not has the net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company and hence the Company need not adopt any Corporate Social Responsibility Policy

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

**A. Conservation of Energy**

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

**B. Technology Absorption**

- |   |       |
|---|-------|
| 1. Research and Development (R&D)                 | : Nil |
| 2. Technology absorption, adoption and innovation | : Nil |

**C. Foreign Exchange Earnings and Out Go**

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil

**RISK MANAGEMENT POLICY:**

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The company is not required to form such policy

**STATUTORY AUDITOR AND AUDITORS' REPORT**

The existing auditors M/s. Sesachalam & Co, Chartered Accountants, Hyderabad appointed as statutory auditors of the Company for the term of five years from the conclusion of 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the year 2024 with the approval of shareholders. The Auditors' Report for fiscal 2021 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**SECRETARIAL STANDARDS:**

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes taken place subsequent to the date of financial statements.

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

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

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal ) Act, 2013 read with rules made thereunder, during the year under review, there were no complaints pertaining to sexual harassment.

**INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**INSURANCE:**

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

**PARTICULARS OF EMPLOYEES:**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

**EVENT BASED DISCLOSURES**

There were no instances which require event based disclosures during the year.

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

**For and on behalf of the Board  
B N Rathi Comtrade Private Limited**

**Sd/-  
Hari Narayan Rathi  
Director  
(DIN:00010968)**

**Place: Hyderabad  
Date: 22.05.2021**



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED**

Report on the Audit of Standalone Ind AS Financial Statements

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of B. N. Rathi Industries Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
  - (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i) The Company does not have any pending litigations which would impact its financial position
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.:201042  
UDIN: 21201042AAAABI1847**

**Hyderabad, Date: 22nd May, 2021**

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**Annexure 1 to the Independent Auditors' Report**

Re: B. N. Rathi Industries Private Limited ('the Company')

- (i)(a) According to the information and explanations given to us, the Company has no property, plant and equipment. Accordingly, the provisions of clause 3(i) (a),(b) and(c) of the Order are not applicable to the Company and hence not commented upon.
  - (ii) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) of the Companies (Auditors' Report) Order, 2015 is not applicable to the Company and hence not commented upon.
  - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
  - (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
  - (v) The Company has not accepted any deposits from the public.
  - (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.
  - (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it. Provisions of service tax, provident fund, employees' state insurance, wealth tax, customs duty, excise duty and cess are not applicable to the Company.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. Provisions of service tax, provident fund, employees' state insurance, wealth tax, customs duty, excise duty and cess are not applicable to the Company.
  - (c) There are no dues of income tax and other material statutory dues which have not been deposited on account of any dispute.
  - (viii) The Company has no outstanding dues during the year from any financial institution; bank or debenture holders or government and accordingly the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.
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- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.:201042  
UDIN: 21201042AAAABI1847**

**Hyderabad, Date: 22nd May, 2021**

**Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of B. N. Rathi Industries Private Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED**

We have audited the internal financial controls over financial reporting of B. N. Rathi Industries Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 22, 2021 expressed an unqualified opinion.

**For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number.: 003714S**

**Sd/-  
T. Bharadwaj  
Partner  
Membership No.: 201042  
UDIN: 21201042AAAABI1847**

**Hyderabad, Date: 22nd May, 2021**

**1. Corporate Information:**

B.N.Rathi Industries Private Limited ("BNRIPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on August 13, 2012. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

The Company is involved in the business of property development and sale.

**2. Significant Accounting Policies:**

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation:**

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

**b) Basis of Measurement:**

The Ind AS financial statements have been prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

**c) Use of estimates and judgements:**

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements.

These estimates are based upon management's best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

**d) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment net of taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Revenue on sale of property is recognized based on percentage completion method and upon transferring significant risks and rewards of ownership associated with the real estate property.

**e) Fair value measurement:**

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.



**f) Property, plant and equipment:****i. Recognition and initial measurement:**

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**ii. Depreciation, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided on written down value method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii. De-recognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

**g) Impairment of assets:**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**h) Leases:**

Where the lessor effectively retains all risks and benefits of ownership of the leased items, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis.

**i) Financial Instruments:****a. Financial Assets****Initial recognition and measurement**

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular way purchase and sale of financial assets are accounted for at trade date.

**Subsequent measurement**

- a. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of a similar financial





asset) is primarily de-recognized (i.e., removed from the company's separate balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset.

#### **b. Financial Liabilities**

##### **Initial recognition and measurement**

The company recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

##### **Subsequent measurement**

These liabilities include borrowings and deposits. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

##### **De-recognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **c. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

#### **j) Income Taxes:**

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting



date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

**k) Provisions, contingent liabilities and contingent assets:**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**l) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**m) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a 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.

**n) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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



**B. N. RATHI INDUSTRIES PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>A ASSETS</b>			
<b>1 Current Assets</b>			
(a) Financial Assets			
- Investments	3	8,45,548	8,45,548
- Cash and cash equivalents	4	24,030	20,538
<b>TOTAL ASSETS</b>		<b>8,69,578</b>	<b>8,66,086</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	5	50,00,000	50,00,000
(b) Other Equity	6	(41,31,329)	(41,33,914)
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,68,671</b>	<b>8,66,086</b>
<b>2 Current Liabilities</b>			
(a) Short term provision	7	907	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,69,578</b>	<b>8,66,086</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 21		

As per our report on even date

For Seshachalam & Co.  
 Chartered Accountants  
 Firm Registration Number: 003714S

T Bharadwaj  
 Partner  
 Membership No.: 201042

Place: Hyderabad  
 Date: May 22, 2021

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

Sd/-  
 Chetan Rathi  
 Director  
 DIN: 00536441

Sd/-  
 Chanda Devi Rathi  
 Director  
 DIN: 05278997



**B. N. RATHI INDUSTRIES PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I REVENUE</b>			
Other Income	8	22,992	1,435
<b>TOTAL REVENUE [I]</b>		<b>22,992</b>	<b>1,435</b>
<b>II EXPENSES</b>			
Other Expenses	9	19,500	55,689
<b>TOTAL EXPENSES [II]</b>		<b>19,500</b>	<b>55,689</b>
<b>III Profit Before Tax [I-II]</b>		<b>3,492</b>	<b>(54,254)</b>
<b>IV Tax Expense</b>			
- Current tax	10	907	-
<b>V Profit for the year</b>		<b>2,585</b>	<b>(54,254)</b>
<b>VI Other Comprehensive Income</b>		-	-
<b>VII Earnings per Equity Share Rs. 10/- each fully paid</b>	14		
- Basic		0.01	(0.11)
- Diluted		0.01	(0.11)
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 21		

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 22, 2021

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

Sd/-  
Chetan Rathi  
Director  
DIN: 00536441

Sd/-  
Chanda Devi Rathi  
Director  
DIN: 05278997



**B. N. RATHI INDUSTRIES PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) after tax		2,585	(54,254)
<b>Adjustments:</b>			
Excess provision for income tax now reversed		-	-
Profit on sale of investments		-	(548)
Interest Income		-	(887)
<b>Operating profit before changes in assets and liabilities</b>		2,585	(55,689)
<b>Changes in assets and liabilities</b>			
(Decrease)/increase in trade payables		-	-
(Decrease)/increase in other current liabilities		-	-
(Decrease)/increase in short term provisions		907	-
(Decrease)/increase in current loans		-	5,00,000
(Increase)/decrease in non current loans		-	-
<b>Cash generated from operations</b>		3,492	4,44,311
Direct taxes paid (Net of refunds received)		-	(3,043)
<b>Net cash flow (used in)/from operating activities [A]</b>		3,492	4,47,354
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in mutual funds		-	(8,75,000)
Redemption of Investments		-	30,000
Interest Income		-	887
<b>Net cash flow (used in)/from investing activities [B]</b>		-	(8,44,113)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Redemption / (Investment) in bank deposits		-	-
<b>Net cash flow (used in)/from financing activities [C]</b>		-	-
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		3,492	(3,96,759)
<b>E. Cash and cash equivalents</b>	4		
at the beginning of the year		20,538	4,17,297
at the end of the year		24,030	20,538
<b>Components of cash and cash equivalents</b>			
Balance with banks			
- In current accounts		23,960	20,468
- Deposits with original maturity of less than 3 months		-	-
Cash on hand		70	70
<b>Less: Bank overdraft</b>		-	-
<b>Cash and cash equivalents at the end of the year</b>	2(l)	24,030	20,538
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 21		

As per our report on even date

For Seshachalam & Co.  
 Chartered Accountants  
 Firm Registration Number: 003714S

T Bharadwaj  
 Partner  
 Membership No.: 201042

Place: Hyderabad  
 Date: May 22, 2021

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

Sd/-  
 Chetan Rathi  
 Director  
 DIN: 00536441

Sd/-  
 Chanda Devi Rathi  
 Director  
 DIN: 05278997

**A. Equity Share Capital**

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	50,00,000	50,00,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>50,00,000</b>	<b>50,00,000</b>

**B. Other Equity**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. Retained Earnings</b>		
(i) Opening Balance	(41,33,914)	(40,79,660)
(ii) Profit for the year	2,585	(54,254)
<b>Total</b>	<b>(41,31,329)</b>	<b>(41,33,914)</b>

As per our report on even date

For Seshachalam & Co.  
Chartered Accountants  
Firm Registration Number: 003714S

T Bharadwaj  
Partner  
Membership No.: 201042

Place: Hyderabad  
Date: May 22, 2021

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

Sd/-  
Chetan Rathi  
Director  
DIN: 00536441

Sd/-  
Chanda Devi Rathi  
Director  
DIN: 05278997

**B. N. RATHI INDUSTRIES PRIVATE LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**  
 (All amounts in Indian Rupees, unless otherwise stated)

**Note 3: Current Investments**

Particulars	As at March 31, 2021	As at March 31, 2020
Quoted investments in mutual funds [valued at cost] - Birla Sun Life Mutual Fund [2715.95 (31.03.2020: Nil)]	8,45,548	8,45,548
<b>Total</b>	<b>8,45,548</b>	<b>8,45,548</b>

Aggregate amount of quoted investments and market value thereof	8,45,548	8,45,548
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	8,45,548	8,45,548
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

**Note 4: Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks - In current accounts - Deposits with original maturity of less than 3 months Cash on hand	23,960 - 70	20,468 - 70
<b>Total</b>	<b>24,030</b>	<b>20,538</b>

**Note 5: Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 10 each	15,00,000	150,00,000	15,00,000	150,00,000
	<b>15,00,000</b>	<b>150,00,000</b>	<b>15,00,000</b>	<b>150,00,000</b>
<b>Issued, subscribed and fully paid:</b>				
Equity Shares of Rs. 10 each	5,00,000	50,00,000	5,00,000	50,00,000
	<b>5,00,000</b>	<b>50,00,000</b>	<b>5,00,000</b>	<b>50,00,000</b>

**(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2021</b>				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000
<b>Year ended March 31, 2020</b>				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000

**(b) Shares held by holding company**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
B. N. Rathi Securities Limited	5,00,000	100.00%	5,00,000	100.00%

**(c) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

**(d) Details of shares held by each shareholder holding more than 5% shares\***

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
B. N. Rathi Securities Limited	5,00,000	100%	5,00,000	100%

\*As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**Note 6: Other Equity**

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(41,31,329)	(41,33,914)
<b>Total</b>	<b>(41,31,329)</b>	<b>(41,33,914)</b>

For details of movement during the year refer '*Statement of Changes in Equity*'

**Nature and purpose of Other Equity:**
**(a) Retained Earnings**

Retained earnings comprise of the company's accumulated undistributed earnings.

**Note 7: Short term provision**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for income tax [Net of advance tax and TDS]	907	-
<b>Total</b>	<b>907</b>	<b>-</b>

**Note 8: Other Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on IT Refund for AY 2018-19	-	887
Commission income	22,992	-
Profit on sale of investments	-	548
<b>Total</b>	<b>22,992</b>	<b>1,435</b>

**Note 9: Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent [Refer Note 13]	-	24,000
Communication	-	3,889
Rates and taxes	600	-
Legal and professional	7,100	16,000
Audit fee		
- Statutory audit	11,800	11,800
<b>Total</b>	<b>19,500</b>	<b>55,689</b>



**Note 10: Income Tax Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b><u>(a) Major components of income tax expense:</u></b>		
(i) Current Income Tax		
- Current income tax charge	907	-
- Adjustments in respect of current income tax of previous year	-	-
	<b>907</b>	<b>-</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>907</b>	<b>-</b>
<b><u>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</u></b>		
Profit/(Loss) before tax from continuing operations	3,492	-
Indian tax rate	26.00%	26.00%
<b>Tax at the Indian tax rate</b>	<b>907</b>	<b>-</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes		-
Tax exempt income	-	-
Income taxed at special rates	-	-
Others	-	-
<b>Total Income Tax Expense</b>	<b>907</b>	<b>-</b>

**11. Segment Information**

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financial instruments are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

**12. Related Party Disclosures**
**a) Names of the related parties and nature of relationship (as per Ind AS 24):**

:

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Investment in LLP	BNR Food Specialities LLP
Key Management Personnel (KMP):	Chanda Devi Rathi
Relatives of Key Management Personnel (KMP):	Hari Narayan Rathi- Husband of Chanda Devi Rathi
	Chetan Rathi – Son of Chanda Devi Rathi

**b) Transactions with related parties:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Rent Paid:</b>	-	<b>24,000</b>
- Chanda Devi Rathi	-	24,000
<b>Loan repayment received:</b>	-	<b>5,00,000</b>
BNR Food Specialities LLP	-	5,00,000

**13. Leases:**

Operating Lease

Assets taken on cancellable operating lease

The company is obligated under cancellable lease for office premises. Total lease rental expenses recognized in the statement of profit and loss for the year are as follows;

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cancellable	-	24,000
<b>Total</b>	<b>-</b>	<b>24,000</b>

**Earnings per Share (EPS):**
**i. Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020
Profit after taxation as per statement of profit and loss (for basic EPS)	3,492	(54,254)
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>3,492</b>	<b>(54,254)</b>

**ii. Reconciliation of basic and diluted shares used in computing earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of weighted average equity shares considered for calculating of basic EPS	5,00,000	5,00,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>5,00,000</b>	<b>5,00,000</b>

**iii. Earnings per share:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Basic (Rs.)	0.01	(0.11)
- Diluted (Rs.)	0.01	(0.11)

**15. Balance Confirmations**

Confirmations of receivables and payable balances have not been received by the Company; hence, reliance is placed on the balances as per books. In the opinion of the management, the amounts are realizable/payable in the ordinary course of business.

**16. Due to Micro and Small Enterprises**

The Company has no dues to Micro and Small Enterprises as at March 31, 2021 and March 31, 2020 in the financial statements based on information received and available with the company.

**17. Fair Value Measurements**
**i. Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2021	March 31, 2020
Fair Value Hierarchy	1	1
<b>Financial Assets</b>		
Investments in Mutual funds	8,45,548	8,45,548

## iii. Financial Instruments by category

For amortized cost instruments, carrying value represents the best estimate of fair value:

Particulars	31-Mar-21			31-Mar-20		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>						
Other investments	-	-	845,548	-	-	845,548
Cash and cash equivalents	-	-	24,030	-	-	20,538
Other bank balances	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>869,578</b>	-	-	<b>866,086</b>
<b>FINANCIAL LIABILITIES</b>						
Trade Payables	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short maturity.

## 18. Financial Instruments Risk Management

### i. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has exposure only to financial instruments at fixed interest rates. Hence, the company is not exposed to significant interest rate risk.

**ii. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. The Company's principal sources of liquidity are the cash flows generated from operations. The Company has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b><u>31-Mar-21</u></b>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
<b>Total</b>	-	-	-	-
<b><u>31-Mar-20</u></b>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
<b>Total</b>	-	-	-	-

**19. Capital Risk Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

Particulars	31-Mar-21	31-Mar-20
Borrowings	-	-
Total Debt	-	-
As a percentage of total capital	0.00%	0.00%
<b>Equity [Refer Note 8 and 9]</b>	<b>868,671</b>	<b>866,086</b>
As a percentage of total capital	100.00%	100.00%
<b>Total Capital [Debt and Equity]</b>	<b>868,671</b>	<b>866,086</b>

**20. Impact of Global Health Pandemic - COVID-19**

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

In assessing the recoverability of receivables and other financial assets, Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

21. Previous year's figures have been regrouped/reclassified/re-casted wherever necessary to confirm to the current year's presentation.

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

Place: Hyderabad  
Date: May 22, 2021

Sd/-  
Chetan Rath  
Director  
DIN: 00536441

Sd/-  
Chanda Devi Rath  
Director  
DIN: 05278997

*If undelivered please return to :*



**B. N. RATHI SECURITIES LIMITED**

6-3-652, IV Floor, Kautilya, Amrutha Estates,  
Somajiguda, Hyderabad, Telangana - 500 082.