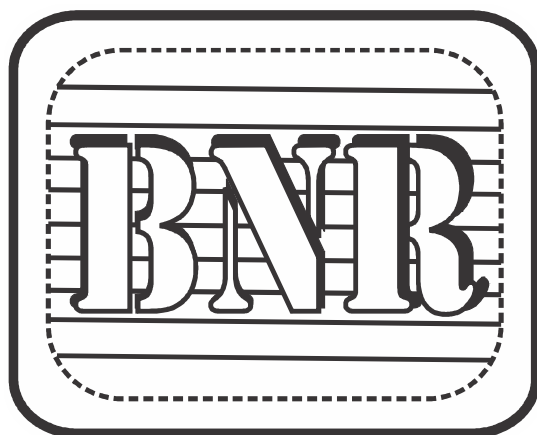


B.N. Rath Securities Limited



30th Annual Report  
2015-2016



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Laxminiwas Sharma  
Mr. K. Harishchandra Prasad  
Mrs. Shanti Sree Bolleni  
Mr. Hari Narayan Rathi  
Mr. Chetan Rathi

- Non Executive Chairman (DIN: 00010899 )
- Non Executive & Independent Director (DIN: 00012564)
- Non Executive & Independent Director (DIN: 07092258)
- Managing Director (DIN: 00010968)
- Executive Director cum CFO (DIN: 00536441)

### **COMPLIANCE OFFICER**

- M.V. Rao

### **COMPANY SECRETARY**

- Mrs. Gadila Sabitha Reddy

### **REGISTERED OFFICE**

- 6-3-652, IV Floor, Kautilya,  
Amrutha Estates, Somajiguda,  
Hyderabad, Telangana - 500082.  
Ph No : 040-30527777, Fax: 30526283

### **CORPORATE IDENTITY NUMBER**

- L65993TG1985PLC005838

### **AUDITORS**

- M/s. Seshachalam & Co.,  
Chartered Accountants  
1-11-256, Street No.1,  
Wall Street Plaza, 6th Floor,  
ICICI Building (Begumpet AirPort)  
Begumpet , Hyderabad - 500016.

### **BANKERS**

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

### **AUDIT COMMITTEE**

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

- Chairman
- Member
- Member

### **NOMINATION & REMUNERATION COMMITTEE**

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

- Chairman
- Member
- Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

- Chairperson
- Member
- Member
- Member

### **INDEPENDENT DIRECTORS :**

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

- Chairman
- Member
- Member

### **RISK MANAGEMENT COMMITTEE:**

Mr. K. Harishchandra Prasad  
Mrs. Shanti Sree Bolleni  
Mr. Chetan Rathi

- Chairman
- Member
- Member

### **REGISTRAR & SHARE TRANSFER AGENTS**

- M/s. Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500032  
Phone Number: 040-67162222, 67161526,  
Fax: 040-23001153

### **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)



### **NOTICE**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Shareholders of M/s B.N. Rathi Securities Limited will be held on Saturday, 6<sup>th</sup> day of August, 2016 at 10.00 A.M. at Hotel Mercure Hyderabad, KCP, 6-3-551, Somajiguda, Hyderabad - 500082 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement 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 31<sup>st</sup> March 2016.
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.
4. To appoint M/s. Seshachalam & Co., Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

#### **SPECIAL BUSINESS:**

##### **Item No. 5: RE-APPOINTMENT OF MR. HARI NARAYAN RATHI, MANAGING DIRECTOR**

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

“**RESOLVED that** pursuant to Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Hari Narayan Rathi (DIN: 00010968) be and is hereby reappointed as Managing Director of the Company for a period of Three years from 01.10.2015 on the remuneration and terms and conditions as set out in the explanatory statement annexed.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Place : Hyderabad  
Date : 25.05.2016

**Laxminiwas Sharma**  
Chairman

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

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 30<sup>th</sup> July, 2016 to 6<sup>th</sup> August, 2016 (Both days inclusive).
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. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. 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 30<sup>th</sup> July, 2016 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 30.07.2016.
9. 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.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.



12. 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. Karvy Computershare Private Limited.**, Share Transfer Agents of the Company for their doing the needful.
13. 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.
14. 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.
15. 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.
16. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-2016 is being sent in the permitted mode.
17. Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website [www.bnrsecurities.com](http://www.bnrsecurities.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investorgrievances@bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com).
18. Voting through electronic means  
Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 30.07.2016, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on Tuesday 3<sup>rd</sup> of August, 2016 and will end at 5.00 p.m. on Friday 5<sup>th</sup> of August, 2016. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. S. Sarveswar Reddy, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

#### **PROCEDURE AND INSTRUCTIONS FOR e-VOTING**

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).



- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
- i. Launch internet browser by typing the URL: <https://evoting.karvy.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 Karvy for e-voting, you can use your existing User ID and password for casting your 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 "EVENT" i.e., 'B.N. Rathi Securities Limited'
  - 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/demits 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., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the



AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

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.

- III. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s Karvy Computershare Private Limited.

#### **OTHER INSTRUCTIONS**

- a. 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.karvy.com> (Karvy Website) or contact P. Nageswar Rao, (Unit: B.N. Rathi Securities Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800- 34-54- 001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 03.08.2016 (9.00A.M. IST) and ends on 05.08.2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30.07.2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 30.07.2016.
- e. 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 i.e., 30.07.2016, 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 &lt;space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
Example for NSDL:  
MYEPWD &lt;SPACE> IN12345612345678  
Example for CDSL:  
MYEPWD &lt;SPACE> 1402345612345678  
Example for Physical:  
MYEPWD &lt;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.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call Karvy's toll free number 1800-3454- 001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.





**PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION**

2. Web Check-in / Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Checkin for General Meetings"
  - b. Select the name of the company: B.N. Rathi Securities Limited
  - c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No &
  - d. The system will validate the credentials. Then click on the "Generate my attendance slip" button
  - e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct
  - f. A separate counter will be available for the online registered Members at the AGM Venue for
  - g. After registration, a copy will be returned to the Member.
  - h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period
  - i. The Members are requested to carry their valid photo identity along with the above attendance slip
19. 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 2015-16, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2008-2009 to the IEPF on or before 24<sup>th</sup> September, 2016. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
20. 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 30.07.2016.
21. 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.
22. 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.
23. 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 Registrar and Share Transfer Agents.

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

Place : Hyderabad  
Date : 25.05.2015

**Laxminiwas Sharma**  
Chairman





## **EXPLANATORY STATEMENT**

**[Pursuant to Section 102 of the Companies Act, 2013]**

### **ITEM NO.5:**

The Board of Directors at their meeting held on 10.08.2015 have, subject to the approval of the Shareholders, re-appointed Mr. Hari Narayan Rathi (DIN: 00010968) as Managing Director of the Company with effect from 01.10.2015 for a period of 3 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights. Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board approved remuneration, terms and conditions of the re-appointment of Mr. Hari Narayan Rathi (DIN: 00010968) as mentioned below:

#### **1. REMUNERATION:**

- I. Salary: Rs. 1,60,000-1,80,000-2,00,000
- II. In addition to the above the Managing Director is entitled to the following facilities:
  - a) Free use of the Company's car with driver.
  - b) Free telephone facility at residence.
  - c) Encashment of Leave as per the rules of the Company.
  - d) Club fee subject to maximum of two clubs. This will not include admission and life Membership fee.
  - e) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
  - f) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 2 months' salary over a period of 2 years.
  - g) Leave Travel Concession for self & family once in a year as per the rules of the company.

#### **2. period of appointment:** Three years beginning from 01.10.2015 to 30.09.2018.

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

Place : Hyderabad  
Date : 25.05.2016

**Laxminiwas Sharma**  
Chairman



## **BOARD'S REPORT**

### **To the Members,**

The Directors have pleasure in presenting before you the 30<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

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

The performance during the period ended 31st March, 2016 has been as under:

	(Rs. In Lakhs)	
<b>Particular</b>	<b>2015-2016</b>	<b>2014-2015</b>
Total Income	1663.08	1400.28
Total Expenditure	1469.37	1189.73
Profit Before Tax	193.71	210.55
Provision for Tax	66.53	63.30
Profit after Tax	127.18	147.25
Transfer to General Reserves	3.18	3.68
Profit available for appropriation	124.00	143.57
Provision for Proposed Dividend	40.32	37.80
Provision for Dividend Tax	8.21	7.69
Balance Carried to Balance Sheet	75.47	98.08

#### **2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

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. 25.05.2016)

#### **3. 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.

#### **4. RIGHTS ISSUE:**

Pursuant to Approval of the shareholders in the previous Annual General Meeting held on 18.07.2015, the company has allotted 25,20,000 Equity Shares of face value of Rs. 10/- each (The "Equity Share"), for cash at an issue price of Rs.15/- per equity share (Including a Premium of Rs. 5/- per equity share) aggregating to Rs. 3,78,00,000/- on rights basis to the eligible equity shareholders in the ratio of one equity share for every one equity share held (1:1) as on record date vide Letter of Offer dated 11.01.2016.

Accordingly the issued, Subscribed and Paid up capital of the company has been increased to Rs. 5,04,00,000/- divided into 50,40,000 shares of Rs. 10/- each.

#### **5. DIVIDEND:**

Your Directors are pleased to recommend a Dividend of 0.80 Paise per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2015-16. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 48.53 lakhs, for which necessary provision has been made in the accounts.

#### **6. BOARD MEETINGS:**

The Board of Directors duly met 7 (seven) times on 27.05.2015, 12.08.2015, 21.09.2015, 13.11.2015, 11.01.2016, 11.02.2016 and 20.02.2016 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.



## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Hari Narayan Rathi was re-appointed as a Managing director with effect from 01.10.2015.  
Details of re-appointment of Managing Director:

Name of the Director	Mr. Hari Narayan Rathi
Date of Birth	22/11/1953
Date of Appointment	16/11/1991
Qualification	Graduate in Science
No. of Shares held in the Company	1569490
Directorships held in other companies (excluding private limited and foreign companies)	MAHESH VIDYA BHAVAN LTD.
Positions held in mandatory committees of other companies	Nil

## 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 clause 49 of the Equity Listing Agreement.
- 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 fulfill 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, Equity listing Agreements 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 Clause 49 of the Equity Listing Agreement.

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 HRNR 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 indecent 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 clause 49 of the Equity Listing Agreement.

### **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) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retrial benefits
  - (vi) 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.

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

The Company has received a declaration from Mr. Laxminiwas Sharma, Mr. K. Harishchandra 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 Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**9. COMPOSITION OF AUDIT COMMITTEE:**

- I. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.
- II. The terms of reference of the Audit Committee include a review of the following:
- 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.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
  - Reviewing with management the annual financial statements before submission to the Board, focusing on:
    1. Any changes in accounting policies and practices;
    2. Qualification in draft audit report;
    3. Significant adjustments arising out of audit;
    4. The going concern concept;
    5. Compliance with accounting standards;
    6. Compliance with stock exchange and legal requirements concerning financial statements and
    7. Any related party transactions
  - Reviewing the company's financial and risk management's policies.
  - Disclosure of contingent liabilities.
  - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.



- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the 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.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

III. The previous Annual General Meeting of the Company was held on 18.07.2015 and Chairman of the Audit Committee, attended previous AGM.

IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Regulation 27 of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee. During the financial year 2015-2016, (4) four meetings of the Audit Committee were held on the 27.05.2015, 12.08.2015, 13.11.2015 and 11.02.2016.

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

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Laxminiwas Sharma	Chairman	NED(1)	4	4
K. Harishchandra Prasad	Member	NED(1)	4	4
Shanti Sree Bolleni	Member	NED(1)	4	4

**NED (I) : Non Executive Independent Director**

#### **V. NOMINATION & REMUNERATION COMMITTEE**

The details of composition of the Committee are given below:

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

**NED (I): Non Executive Independent Director**

#### **Terms of reference:**

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

#### **Remuneration Policy:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.





The details of remuneration paid to the Executive and Non Executive Directors for the financial year 2015-2016 are given below:

Mr. Hari Narayan Rath - Managing Director and Mr. Chetan Rath -Whole time director have drawn a remuneration of Rs. 16,80,000/- and Rs. 9,60,000/- for the year ended 31.03.2016 respectively.

None of the Directors is drawing any Commission, Perquisites, Retirement benefits etc.,

## **VI. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **A) Composition:**

The Details of composition of the Committee are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mrs. Shanti Sree Bolleni	Chairperson	NED(1)
Mr. Laxminiwas Sharma	Member	NED(1)
Mr. K. Harishchandra Prasad	Member	NED(1)
Mr. Chetan Rath	Member	ED

**NED (I)** : Non Executive Independent Director

### **B) Powers:**

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

The Company has designated an exclusive e-mail ID called [investorgrievances@ bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com) complaints/grievances.

## **VII. RISK MANAGEMENT COMMITTEE**

### **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(1)
Mrs. Shanti Sree Bolleni	Member	NED(1)
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:**

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.

**10. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In compliance with SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. [www.bnrsecurities.com](http://www.bnrsecurities.com)

- i. Board Diversity Policy
- ii. Policy on preservation of Documents
- iii. Risk Management Policy

**11. VIGIL MECHANISM:**

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.

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16. Accordingly, 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.



**13. STATUTORY COMPLIANCE:**

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

**14. UN PAID / UN CLAIMED DIVIDEND:**

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 2008-2009 will expire on 24<sup>th</sup> September, 2016 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

**15. 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 the wholly owned subsidiaries of the company.

**16. EXTRACT OF 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 extract of annual return in MGT 9 as a part of this Annual Report **(FORMAT IN ANNEXURE I)**

**17. STATUTORY AUDITORS:**

M/s. Seshachalam & Co, Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Seshachalam & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

**18. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. S. S. Reddy & Associates, Practicing Company Secretaries is annexed to this Report as annexure.

**19. QUALIFICATIONS IN AUDIT REPORTS :**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made -

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust capital market in the coming years.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec.217 (1) (e) of the Companies Act 1956 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:**

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

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

Your Company has not accepted any deposits falling within the meaning of Sec. 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

**22. 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.

**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. INSURANCE:**

The properties and assets of your Company are adequately insured.

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

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

**26. CREDIT & GUARANTEE FACILITIES:**

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

**27. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company do 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.



## **28. 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.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures.

## **29. FORMAL ANNUAL EVALUATION:**

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 11.03.2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 2 (two) non-independent directors namely:

- i) Shri Hari Narayan Rathi - Managing Director
- ii) Shri Chetan Rathi - Whole-Time Director cum CFO

The meeting recognized the significant contribution made by Shri. Hari Narayan Rathi and Shri. Chetan Rathi, non-independent directors in the shaping up of the company and putting the company on accelerated growth path. They devoted more time and attention to bring up the company to the present level.

**The meeting also** reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

The meeting also noted that Sri. Laxminiwas Sharma, chairman of the company has performed exceptionally well by attending board meetings regularly, by taking active participation in the discussion of the agenda and by providing required guidance from time to time to the company for its growth etc.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.



**30. DISCLOSURE ABOUT COST AUDIT :**

Cost Audit is not applicable to your Company.

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

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 a remuneration of Rs. 9,60,000/- is being paid to Sri. Chetan Rathi, whole time director of the Company and a remuneration of Rs. 16,80,000/- is being paid to Mr. Hari Narayan Rathi, Managing Director of the Company.

**32. LISTING AGREEMENT :**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital Markets to ensure better enforceability. The said regulations were effective from 1<sup>st</sup> December, 2015. Accordingly the company entered into Listing Agreement with BSE Limited during November 2015.

**33. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to Bombay Stock Exchange where the Company's Shares are listed.

**34. 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.

**35. 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.

**36. SECRETARIAL STANDARDS**

**EVENT BASED DISCLOSURES**

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

**37. 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.

**38. CEO/ CFO Certification**

The Managing Director and CEO/ CFO certification of the financial statements for the year 2015-16 is provided elsewhere in this Annual Report.

**39. EMPLOYEE RELATIONS :**

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 a remuneration of 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

**40. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

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, Canara Bank, HDFC Bank etc. for their continued support for the growth of the Company.

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

Place : Hyderabad  
Date : 25.05.2016

**Laxminiwas Sharma  
Chairman**

**Certificate of Code of Conduct for the year 2015-16**

The shareholders

I, Hari Narayan Rathi , Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

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

Place : Hyderabad  
Date : 25.05.2016

**Hari Narayan Rathi  
Managing Director**





**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 31<sup>ST</sup> MARCH, 2016**

To  
The Members of  
M/s. B.N.Rathi Securities Limited

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 my 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 financial year commencing from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, 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 31<sup>st</sup> March, 2016, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12<sup>th</sup> September, 2013 and sections and Rules notified and came in to effect from 1<sup>st</sup> April, 2014;
  - 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;
  - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2015-16.
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; All the required disclosures from time to time and as and when applicable were complied with.
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; During the year the Company came out with Rights issue and complied with relevant regulations of ICDR and completed the issue and got listed on BSE.
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable.
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable.



- v. 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.
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not Applicable.
- vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable.
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; 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). All the required disclosures from time to time as and when applicable were complied with.
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
  - The Company has signed uniform listing agreement with BSE Limited;
  - The Company has framed the policies as mentioned below and displayed the same on the Company's website i.e. [www.bnrsecurities.com](http://www.bnrsecurities.com)
    - ❖ Board Diversity Policy
    - ❖ Policy on preservation of Documents
    - ❖ Risk Management Policy
3. During the year the Company has conducted 7 Board meetings, 4 Audit committee meetings and 1 meeting of Nomination & Remuneration Committee meeting. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standards issued by the Institute of Company secretaries of India and
  - ii. The Listing Agreements entered into by the Company with BSE Limited;
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;

**OBSERVATIONS:**

- (a) 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.



**(b) We further report that:**

- (i) The Company has the Company Secretary namely Mrs. G. Sabitha Reddy and CFO namely Mr. Chetan Rathi.
- (ii) The Company has the internal auditors namely M/s. T R Chadha & Co. Chartered Accountants, Hyderabad.
- (iii) During the year the Company took up the rights issue and accordingly issued and allotted 25,20,000 equity shares at an issue price of Rs. 15/- per share which includes a premium of Rs.5/- per share and raised funds aggregating to Rs. 3,78,00,000/- towards the objects as mentioned in the offer document dated 11.01.2016 as approved by SEBI.
- (iv) The Company is regular in deducting and paying TDS under the Income Tax Act.
- (v) The Company has paid PF and ESI to the respective authorities.
- (vi) The Company also has collected stamp duty and service tax on behalf of the clients and paid to the respective authorities.
- (vii) The Company is a registered member of NSE, BSE and MCX SX 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.

For S.S. Reddy & Associates

Place : Hyderabad  
Date : 25.05.2016

**S.Sarveswara Reddy**  
Practicing Company Secretaries  
C.P.No: 7478



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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. 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

Place : Hyderabad  
Date : 25.05.2016

**S.Sarveswara Reddy**  
Practicing Company Secretaries  
C.P.No.: 7478



**CERTIFICATE BY THE CEO AND CFO OF THE COMPANY**

**To**

**The Board of Directors**

**Dear Sirs,**

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

Place : Hyderabad  
Date : 25.05.2016

**Hari Narayan Rathi**  
**CEO**

**Chetan Rathi**  
**CFO**



**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.
1 Shareholder for 300 shares	Nil	Nil	1 Shareholder for 300 shares

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



**MGT 9**

**Extract of Annual Return**

**As on the Financial Year 31.03.2016**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS :**

i	CIN	L65993TG1985PLC005838
ii	Registration Date	30.09.1985
iii	Name of the Company	B N. Rathi Securities Limited
iv	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v	Address of the Registered office and contact details	6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032. Phone Number : 040-67162222, 67161526 Fax: 040-23001153

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1. Share Broking	NA	82
2. Interest on FD's	NA	12

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1. B.N. Rathi Comtrade Private Limited	U74900TG2008PTC060088	Subsidiary Company	100%	2(87)
2. B.N. Rathi Industries Private Limited	U45209TG2012PTC082486	Subsidiary Company	100%	2(87)





#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding :

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(1) Indian</b>									
Individual/HUF	11,54,477	0	11,54,477	45.81	23,08,954	0	23,08,954	45.81	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (1)</b>	<b>11,54,477</b>	<b>0</b>	<b>11,54,477</b>	<b>45.81</b>	<b>23,08,954</b>	<b>0</b>	<b>23,08,954</b>	<b>45.81</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs									
Individuals	0	0	0	0	0	0	0	0	0
b) Other									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Totalshare holding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>11,54,477</b>	<b>0</b>	<b>11,54,477</b>	<b>45.81</b>	<b>23,08,954</b>	<b>0</b>	<b>23,08,954</b>	<b>45.81</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									<b>0</b>
i) Indian	189524	1550	191074	7.58	212587	2550	215137	4.27	3.31
ii) Overseas	0	0	0	0	0	0	0	0	0



<b>b) Individuals</b>	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.2lakhs	546492	362503	908995	36.07	967144	385371	1352515	26.84	9.24
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	200217	46850	247067	9.80	1054295	101489	1155784	22.93	13.33
c) Others (specify) 1. NRI 2. Clearing Members	3756 14631	0 0	3756 14631	0.15 0.58	5209 2401	0 0	5209 2401	0.10 0.05	0.05 0.53
Sub-total (B)(2) Total Public Shareholding (B)=(B)(1)+(B)(2)	954620	410903	1365523	54.19	2241636	489410	2731046	54.19	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2109097	410903	2520000	100	4550590	489410	504000	100	0

(ii) Shareholding of promoters

Share holder's name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Hari Narayan Rathi	785745	Nil	785745	31.18	1571490	Nil	1571490	31.18	Nil
2. Chetan Rathi	174267	Nil	174267	6.92	348534	Nil	348534	6.92	Nil
3. Chanda Devi Rathi	131203	Nil	131203	5.21	252406	Nil	252406	5.21	Nil
4. Nisha Rathi	63262	Nil	63262	2.51	126524	Nil	126524	2.51	Nil



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1. Hari Narayan Rathi</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/sweat equity etc): At the End of the year	785745        Dated: 20.02.2016 Rights Issue allotment :785745  -	31.18        -	-        1571490	-        31.18
<b>2. CHETAN RATHI</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/sweat equity etc): At the End of the year	174267        Dated: 20.02.2016 Rights Issue Allotment:174267  -	6.92        -	-        348534	-        6.92
<b>3. CHANDA DEVI RATHI(PROMOTER GROUP)</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/sweat equity etc): At the End of the year	131203        Dated: 20.02.2016 Rights Issue allotment 131203  -	5.21        -	-        262406	-        5.21
<b>4. NISHA RATHI(PROMOTER GROUP)</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc): At the End of the year	63262        Dated: 20.02.2016 Rights Issue allotment 63262  -	2.51        -	-        126524	-        2.51



(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	Shareholder Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>PURSHOTTAM CHANDAK HUF</b> At the beginning of the year <b>Changes during the year</b>		Opening balance	0	0.00	0	0.00
		08/01/2016	Purchase	10000	0.40	10000	0.40
		26/02/2016	Purchase	92426	1.83	102426	2.03
		18/03/2016	Sale	40639	0.81	61787	1.23
		25/03/2016	Purchase	18000	0.36	79787	1.58
		31/03/2016	Purchase	63913	1.27	143700	2.85
		31/03/2016	Closing Balance			143700	2.85
2	<b>VEENA GOVINDNARAYAN MUNDRA</b> At the beginning of the year <b>Changes during the year</b> <b>At the End of the Year</b>		Purchase	30000	1.19	30000	1.19
		26/02/2016	Purchase	100000	1.98	130000	2.58
		31/03/2016	Closing Balance			130000	2.58
3	<b>PRASAD KANCHARLA</b> At the beginning of the year <b>Changes during the year</b>		Purchase	0	0.00	0	0.00
		08/01/2016	Purchase	15000	0.60	15000	0.60
		15/01/2016	Sale	1450	0.06	13550	0.54
		29/01/2016	Sale	150	0.01	13400	0.53
		26/02/2016	Purchase	89000	1.77	102400	2.03
		18/03/2016	Sale	404	0.01	101996	2.02
	<b>At the End of the Year</b>	31/03/2016	Closing Balance	-	-	101996	2.02
4	<b>ASHOK KUMAR MANDHANI</b> At the beginning of the year Changes during the year At the End of the Year		Purchase	9000	0.36	9000	0.36
		26/02/2016	Purchase	83181	1.65	92181	1.83
		31/03/2016	Closing Balance	-	-	92181	1.83
5	<b>ARCHANA MANDHANI</b> At the beginning of the year  Changes during the year At the End of the Year		Opening Balance	9000	0.36	9000	0.36
		26/02/2016	Purchase	83181	1.65	92181	1.83
		31/03/2016	Closing Balance			92181	1.83
6	<b>NIRMAN SHARE BROKERS PVT. LTD.</b> At the beginning of the year  Changes during the year		Opening Balance	53640	2.13	53640	2.13
		10/04/2015	Sale	100	0.00	53540	2.12
		15/05/2015	Sale	50000	1.98	3540	0.14
		22/05/2015	Sale	100	0.00	3440	0.14
		29/05/2015	Purchase	38601	1.53	42041	1.67
		05/06/2015	Purchase	700	0.03	42741	1.70
		12/06/2015	Purchase	200	0.01	42941	1.70


**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

		19/06/2015	Sale	700	0.03	42241	1.68
		26/06/2015	Purchase	9695	0.38	51936	2.06
		03/07/2015	Purchase	2100	0.08	54036	2.14
		10/07/2015	Sale	255	0.01	53781	2.13
		17/07/2015	Sale	256	0.01	53525	2.12
		07/08/2015	Sale	500	0.02	53025	2.10
		21/08/2015	Sale	6496	0.26	46529	1.85
		28/08/2015	Purchase	3804	0.15	50333	2.00
		04/09/2015	Purchase	732	0.03	51065	2.03
		30/09/2015	Sale	1200	0.05	49865	1.98
		27/11/2015	Sale	732	0.03	49133	1.95
		18/12/2015	Sale	935	0.04	48198	1.91
		25/12/2015	Sale	1	0.00	48197	1.91
		08/01/2016	Sale	1300	0.05	46897	1.86
		15/01/2016	Sale	25351	1.01	21546	0.86
		05/02/2016	Sale	2130	0.08	19416	0.77
		26/02/2016	Purchase	42000	0.83	61416	1.22
		11/03/2016	Sale	1000	0.02	60416	1.20
		25/03/2016	Sale	2276	0.05	58140	1.15
		31/03/2016	Purchase	42000	0.83	100140	1.99
		31/03/2016	Sale	42000	0.83	58140	1.15
	At the end of the year	31/03/2016	Closing Balance	-		- 78574	1.56
7	<b>CH RAVI KUMAR</b>						
	At the Beginning of the year		Opening Balance	9340	0.37	9340	0.37
	Changes during the year	10/04/2015	Purchase	9520	0.38	18860	0.75
		17/04/2015	Purchase	2000	0.08	20860	0.83
		24/04/2015	Purchase	8265	0.33	29125	1.16
		01/05/2015	Purchase	1181	0.05	30306	1.20
		29/05/2015	Sale	10000	0.40	20306	0.81
		05/06/2015	Purchase	3000	0.12	23306	0.92
		12/06/2015	Purchase	3313	0.13	26619	1.06
		19/06/2015	Purchase	3381	0.13	30000	1.19
		07/08/2015	Purchase	1000	0.04	31000	1.23
		26/02/2016	Purchase	31000	0.62	62000	1.23
	At the end of the Year	31/03/2016	Closing balance			62000	1.23
8	<b>MEHUL P RAIMAGIYA</b>						
	At the beginning of the year		Opening balance	0	0.00	0	0.00
	At the End of the year	31/03/2016	Closing Balance			54639	1.08
9	<b>PUSHPANJALI GOLLAPUDI</b>						
	At the beginning of the year		Opening Balance	25000	0.99	25000	0.99
	Changes during the year	26/02/2016	Purchase	25000	0.50	50000	0.99
	At the end of the year	31/03/2016	Closing Balance			50000	0.99
10	<b>SANDEEP STOCKS PRIVATE LIMITED</b>						
	At the beginning of the year		Opening Balance	47268	1.88	47268	1.88
	At the end of the year	31/03/2016	Closing Balance			47268	0.94



(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>Hari Narayan Rathi</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	785745  Dated: 20.02.2016 Rights Issue Allotment: 785745	31.18	-   1571490	-   31.18
<b>2</b>	<b>Chetan Rathi</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): At the End of the year	174267  Dated: 20.02.2016 Allotted through Rights Issue: 174267	6.92	-   348534	-   6.92

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
i. Principal Amount				
ii. Interest due but not paid				
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition Reduction	-	-	-	-
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				



**VI. Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Hari Narayan Rathi MD	Chetan Rathi WTD/CFO		
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salaryunder section 17(3) Income tax Act, 1961	16,80,000	9,60,000	-	26,40,000
2. Stock Option	-	-	-	
3. Sweat Equity	-	-	-	
4. Commission - as % of profit - Others, specify...	-	-	-	
5. Others, please specify	-	-	-	
6. Total (A)	-	-		26,40,000
7. Ceiling as per the Act				

**B. Remuneration to other directors :**

Particulars of Remuneration	Name of Director			Total Amount
	Mr. Laxminivas Sharma	Mr. Harish-chandra Prasad	Mr. Shanthi Sree Bolleni	
Independent Directors Fee for attending board / committee meetings Commission Others, please specify	42,000	42,000	42,000	1,26,000
Total (1)	42,000	42,000	42,000	1,26,000
Other Non-Executive Directors Fee for attending board / committee meetings commission Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B) = (1 + 2)	42,000	42,000	42,000	1,26,000
Total Managerial Remuneration Overall Ceiling as per the Act				





**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Particulars of Remuneration	Key Managerial Personnel			Total
	CEO	Company Secretary (G. Sabitha Reddy)	CFO	
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	25,000* 10 months = 3,00,000	-	3,00,000
2. Stock Option				
3. Sweat Equity				
4. Commission- as % of profit - others, specify...				
5. Others, please specify				
6. Total		3,00,000		3,00,000/-

**VII. Penalties / Punishment / Compounding of Offences :**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
B.N.Rathi Securities Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of B.N.Rathi Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### **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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2016, its profit and its cash flows for the year ended on that date.



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

1. As required by the Companies (Auditor's report) Order, 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 dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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

**T. Bharadwaj**  
Partner  
Membership No. 201042

Place : Hyderabad  
Date : May 25, 2016



**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) Fixed assets 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, 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, wealth 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) According to the information and explanations given to us, the moneys raised by way of Rights issue and term loans were applied for the purposes for which those are raised.
- (x) Based upon the 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, 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.

**B.N. RATHI SECURITIES LIMITED**

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- (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 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

**T. Bharadwaj**  
Partner  
Membership No. 201042

Place : Hyderabad  
Date : May 25, 2016



**Annexure 2 to the Independent Auditor's report of even date on the standalone 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, 2016 in conjunction with our audit of the standalone 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 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, 2016, 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 financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 25, 2016 expressed an unqualified opinion.

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

**T. Bharadwaj**  
Partner  
Membership No. 201042

Place : Hyderabad  
Date : May 25, 2016



### **Corporate Information:**

B.N.Rathi Securities Limited ("BNRSL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on September 30, 1985.

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").

### **Basis of preparation of financial statements**

The financial statements are prepared with generally accepted accounting principles in India under the historical cost convention and on an accrual basis of accounting.

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and with the relevant provisions of the Act, pronouncements of The Institute of Chartered Accountants of India ('ICAI').

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

## **2. Significant Accounting Policies:**

### **Use of estimates**

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. 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.

### **a) 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. The following specific recognition criteria must also be met before revenue is recognized:

#### ***Income from Brokerage***

Brokerage income on securities is recognised as per contracted rates at the execution of transactions on behalf of the clients on the trade date

#### ***Other operating revenue***

Other operating revenue includes income from business related to brokerage and is recognized based on the terms agreed with the clients when the services are rendered.

#### ***Interest income:***

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

#### ***Dividends***

Dividend income is recognized when the unit holder's right to receive dividend is established by the reporting date.





**b) Fixed Assets**

***Tangible Assets:***

Tangible assets are stated at cost less accumulated depreciation. Subsequent expenditure related to items of tangible assets is added to its book value only if it increase the future benefits from the existing assets beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

***Intangible Assets:***

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated depreciation. Intangible assets are amortised over their estimated useful lives.

**c) Depreciation and Amortisation**

Depreciation and Amortization on fixed assets is provided on Written down value method at the rates specified in Schedule II of the Companies Act, 2013 on pro-rata basis.

Individual Fixed Assets costing Rs.5,000 and below are fully depreciated in the year of purchase.

**d) Employee Benefits**

Provident Fund:

Contributions paid/ payable under defined contribution plans are recognized in the Statement of Profit and Loss in each year. Contribution plans primarily consists of Provident Fund administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

Gratuity:

The Company operates a defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which it occurs in the statement of profit and loss.

**e) Leases**

Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease for the period are treated as revenue expenditure.

**f) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**g) Taxation:**

- (i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more



subsequent years. Deferred Tax Assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- (iii) Provision for taxation for the period(s) is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.
- (iv) Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.
- (v) Current tax assets and liabilities are offset when there is a legally enforceable rights to set off the recognised amount and there is intention to settle the assets and the liabilities on a net basis.
- (vi) Deferred tax assets and liabilities are offset when there is a legally enforceable rights to set off assets against liabilities representing the current tax and where the deferred tax and liabilities relate to taxes on income levied by the same governing taxation laws.

#### **h) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **i) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **j) Impairment**

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is adjusted/ reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

#### **k) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



## Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	50,40,00,000	2,52,00,000
(b) Reserves and Surplus	4	8,95,81,155	7,13,39,033
<b>(2) Non- Current Liabilities</b>			
(a) Long-Term Borrowings	5	15,78,910	-
(b) Long-Term Provisions	6	23,25,364	18,10,966
<b>(3) Current Liabilities</b>			
(a) Short-term borrowing	7	-	1,00,00,000
(b) Trade Payables	8		
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises		21,39,24,607	16,35,37,988
(c) Other Current Liabilities	9	1,01,12,846	64,36,746
(d) Short-Term Provisions	10	1,17,28,669	1,23,14,122
<b>Total :</b>		<b>37,96,51,551</b>	<b>29,06,38,855</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets	11A	47,48,361	18,72,065
(ii) Intangible Assets	11B	73,463	45,873
(b) Non-Current Investments	12	1,50,00,000	1,50,00,500
(c) Deferred Tax Assets	13	29,03,459	21,57,293
(d) Long Term Loans and Advances	14	3,17,96,830	3,17,33,933
(e) Other Non-Current Assets	15	-	18,00,000
<b>(2) Current Assets</b>			
(a) Stock-In-Trade	16	16,69,207	24,34,524
(b) Trade Receivables	17	4,44,70,858	1,73,69,245
(c) Cash and bank balances	18	16,46,79,917	13,23,00,534
(d) Short-Term Loans and Advances	19	10,83,96,587	8,10,52,529
(e) Other Current Assets	20	59,12,869	48,72,859
<b>Total :</b>		<b>37,96,51,551</b>	<b>29,06,38,855</b>
Corporate information	1		
summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 36		
As per our Report of even date.			
For <b>SESHACHALAM &amp; CO.,</b>	For and on behalf of the Board		
Chartered Accountants			
Firm Registration Number : 003714S			
<b>T. Bharadwaj</b>	<b>LAXMINIWAS SHARMA</b>	<b>HARINARAYAN RATHI</b>	
Partner	Chairman	Managing Director	
Membership No. 201042			
Place : Hyderabad	<b>CHETAN RATHI</b>	<b>SABITHA REDDY</b>	<b>M.V. RAO</b>
Date : 25.05.2016	Executive Director-cum-CFO	Company Secretary	Compliance Officer



## Statement of Profit & Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue from operations (net)	21	14,44,98,309	12,32,04,614
Other Income	22	1,87,94,784	1,68,24,056
<b>I. Total Revenue</b>		<b>16,32,93,093</b>	<b>14,00,28,670</b>
<b>Expenses:</b>			
Employee Benefit Expenses	23	3,07,05,981	1,46,67,784
Finance Costs	24	64,24,103	38,29,538
Depreciation and Amortization Expenses	11	40,97,739	33,56,875
Other Expenses	25	3,35,69,096	2,61,87,881
Sharing of Brokerage		7,21,39,751	7,09,31,808
<b>II. Total Expenses:</b>		<b>14,69,36,670</b>	<b>11,89,73,886</b>
<b>III. Profit before extraordinary item ad tax (I-II) Ordinary item</b>	<b>34</b>	<b>1,63,56,423</b>	<b>2,10,54,784</b>
		<b>30,15,000</b>	<b>-</b>
<b>Profit before tax (I - II)</b>		<b>1,93,71,423</b>	<b>2,10,54,784</b>
<b>IV. Tax Expense :</b>			
Current tax expense			
- for current year		67,67,566	76,71,864
- relating to profit year		6,31,233	34,428
Deferred tax		(7,46,167)	(13,76,431)
<b>V. Profit for the year</b>		<b>1,27,18,791</b>	<b>1,47,24,923</b>
<b>VI. Earning per equity share</b>	<b>31</b>		
Basic and diluted (Before extraordinary Items)		3.24	5.37
Basic & Diluted (After extraordinary Items)		4.24	5.37

Corporate information 1  
Summary of significant accounting policies 2  
Accompanying notes forming an integral part of the financial statements 1 to 36

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 25.05.2016

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer



## Cash Flow Statement for the year ended 31st March, 2016

(Rs. in thousands)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before extraordinary items and tax</b>	<b>1,63,56,423</b>	<b>2,10,54,784</b>
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	40,97,739	33,56,875
Interest expense	56,84,337	34,99,362
Profit on sale of fixed assets	(98,421)	-
Dividend income	(69,100)	(2,55,000)
Interest income	(1,85,97,356)	(1,65,69,056)
<b>Cash generated before working capital changes</b>	<b>73,73,622</b>	<b>1,10,86,965</b>
<b>Movements in working capital :</b>		
Increase in trade payables	5,03,86,619	4,56,50,089
Increase in other current liabilities	28,02,257	11,08,186
Increase in long term provisions	5,14,398	18,10,966
Increase in short term provisions	15,557	92,726
Decrease/(Increase) in trade inventories	7,65,317	(5,94,466)
(Increase) / decrease in trade receivables	(2,71,01,613)	8,31,347
Increase in loans and advances	(2,53,66,908)	(56,85,679)
	<b>93,89,249</b>	<b>5,43,00,134</b>
Cash flow from extraordinary items	30,15,000	-
	<b>1,24,04,249</b>	<b>-</b>
<b>Cash generated from operations</b>		
Direct taxes paid	(85,43,144)	(73,92,742)
<b>Net cash flow from operating activities (A)</b>	<b>38,61,105</b>	<b>4,69,07,392</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets	(70,54,204)	(1,498,039)
Acquisition of equity shares in subsidiary companies	-	(500)
Proceeds from sale of fixed assets	1,51,000	-
Dividend received	69,100	2,55,000
Interest received	1,75,57,346	1,55,80,976
<b>Net cash flow from investing activities (B)</b>	<b>1,07,23,242</b>	<b>1,43,37,437</b>
<b>C. Cash flows from financing activities</b>		
Proceeds/(Repayment) from long term borrowings	24,52,753	(2,37,053)
(Repayment) /proceeds from working capital borrowings	(1,00,00,000)	1,00,00,000
Proceeds from issue of equity shares(net)	35,576,151	-
Dividends paid on equity shares	(37,80,000)	(30,24,000)
Tax on equity dividend paid	(7,69,532)	(5,13,929)
Interest paid	(56,84,337)	(34,99,362)
<b>Net Cash Flow From Financing activities (C)</b>	<b>1,77,95,035</b>	<b>27,25,656</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>3,23,79,382</b>	<b>6,39,70,485</b>
<b>E. Cash and cash equivalents [Refer Note 2(k)]</b>		
at the beginning of the year	13,23,00,534	6,83,30,049
<b>at the end of the year</b>	<b>16,46,79,917</b>	<b>13,23,00,534</b>

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

Place : Hyderabad  
Date : 25.05.2016



## Notes Forming Part of the Balance Sheet as at 31st March, 2016

### Note 3 : Share Capital

Particulars	As at 31st March' 2016		As at 31st March' 2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<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	25,20,000	2,52,00,000
<b>Total</b>		<b>5,04,00,000</b>		<b>2,52,00,000</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, 2016</b>				
- Number of shares	25,20,000	2,52,00,000	-	5,04,00,000
- Amount	<b>2,52,00,000</b>	<b>2,52,00,000</b>	-	<b>5,04,00,000</b>
<b>Year ended March 31, 2015</b>				
- Number of shares	2,52,00,000	-	-	2,52,00,000
- Amount	<b>25,20,000</b>	-	-	<b>25,20,000</b>

(b) **Rights issue:** Pursant to the Rights issue, the Company issued 25,20,000 shares at a price of Rs.15 per share aggregating Rs. 37,800,000. The proceeds were utilized for paying Margin Money maintained with Stock Exchanges / Clearing members in accordance with the objective of the Rights issue.

(c) **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, except in case of interim dividend.

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

Particulars	As at 31st March' 2016		As at 31st March' 2015	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
<b>Equity shares of Rs.10/- each fully paid</b>				
Hari Narayan Rathi	15,71,490	31.18%	7,85,745	31.18%
Chetan Rathi	3,48,534	6.92%	1,74,267	6.92%
Chanda Devi Rathi	2,62,406	5.21%	1,31,203	5.21%

\*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 4 : Reserve & Surplus

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Capital Reserve (A)</b>	<b>14,90,400</b>	<b>14,90,400</b>
<b>b. Securities Premium Account</b>		
Opening Balance	1,22,40,000	1,22,40,000
Add : Premium on shares issued during the year	1,26,00,000	-
Less : Share Issue Expenses	22,23,849	-
<b>(B)</b>	<b>2,26,16,151</b>	<b>1,22,40,000</b>
<b>c. General Reserve</b>		
Opening Balance	6,48,085	5,94,460
<b>Add:</b> Transferred from surplus in Statement of Profit and Loss	3,17,970	3,68,123
<b>Less:</b> Depreciation adjustment on account of change in useful life as per Companies Act, 2013 (net of deferred tax of Rs.1,50,613)	-	3,13,598
<b>(C)</b>	<b>9,66,955</b>	<b>6,48,985</b>
<b>d. Surplus in Statement of Profit and Loss</b>		
Opening balance	5,69,59,640	4,71,52,380
<b>Add:</b> Profit for the year	1,27,18,791	1,47,24,923
	<b>6,96,78,439</b>	<b>6,18,77,303</b>
<b>Less : Appropriations</b>		
-Transferred to general reserve	3,17,970	3,68,123
-Proposed dividend	40,32,000	37,80,000
-Tax on proposed dividend	8,20,820	7,69,532
<b>(D)</b>	<b>51,70,790</b>	<b>49,17,655</b>
<b>(D)</b>	<b>6,45,07,649</b>	<b>5,69,59,648</b>
<b>Total [A+B+C+D]</b>	<b>8,95,81,155</b>	<b>7,13,39,033</b>

#### Note 5 : Long Term Borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Term Loans</b>		
From Banks		
Secured (Refer note (i) below)	15,78,910	-
<b>Total</b>	<b>15,78,910</b>	<b>-</b>

##### Note (i):

The term loan taken from HDFC Bank Limited is secured by way of hypothecation of vehicle purchased. The Loan is repayable in 36 equal monthly instalments. The applicable interest rate is 9.37%. The period of maturity with respect to balance sheet date is 27 instalments.

#### Note 6 : Long Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for gratuity (Refer note 27)	23,25,364	18,10,966
<b>Total :</b>	<b>23,25,364</b>	<b>18,10,966</b>



**Note 7 : Short Term Borrowings**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Working Capital Loans and Overdrafts</b> (repayable on demand)		
From banks (Refer Note below)		
Secured	0	1,00,00,000
<b>Total :</b>	<b>0</b>	<b>1,00,00,000</b>

**Note :** Secured against the fixed deposits belonging to the Company with the bank

**Note 8 : Trade Payables**

Particulars	As at March 31, 2016	As at March 31, 2015
Creditors - clients	20,44,19,393	15,47,66,426
Creditors - Suppliers and other services [Refer note 32 and 33]	95,05,214	87,71,562
<b>Total</b>	<b>21,39,24,607</b>	<b>16,35,37,988</b>

**Note 9 : Other Current Liabilities**

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long term debt [Refer note 5]	11,37,029	2,63,186
Unpaid dividend	15,21,362	13,95,160
Statutory remittances	11,35,636	6,37,455
Client margin deposits	36,77,485	41,40,945
Other Deposits - Sub brokers	26,41,334	-
<b>Total</b>	<b>1,01,12,846</b>	<b>64,36,746</b>

**Note 10 : Short Term Provisions**

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for gratuity [Refer note 27]	1,08,283	92,726
Provision for taxation	67,67,566	76,71,864
Proposed dividend	40,32,000	37,80,000
Provision for tax on proposed dividend	8,20,820	7,69,532
<b>Total</b>	<b>1,17,28,669</b>	<b>1,23,14,122</b>





**Note : 11 Fixed Assets**

**Note 11A : Tangible Assets**

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	As at April 01, 2015	For the Period	On Deletions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Furniture and fittings	5,68,598	1,34,026	1,03,000	5,99,624	3,57,570	2,43,291	90,598	5,10,263	89,361	2,11,028
Motor Vehicles	29,62,892	50,86,865	6,18,305	74,31,452	22,79,115	20,29,864	5,84,579	37,24,400	37,07,052	6,83,777
Computers & data processing units	15,84,528	7,45,351	-	23,29,879	12,11,172	7,37,957	-	19,49,129	3,80,750	3,73,356
Office equipment	34,33,707	6,94,410	43,000	40,85,117	28,29,803	7,20,665	36,549	35,13,919	5,71,198	6,03,904
	<b>85,49,725</b>	<b>66,60,652</b>	<b>7,64,305</b>	<b>1,44,46,072</b>	<b>66,77,660</b>	<b>37,31,777</b>	<b>7,11,726</b>	<b>96,97,711</b>	<b>47,48,361</b>	<b>18,72,065</b>

**Note 11B : Intangible Assets**

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2016	Additions	Deletions	As at March 31, 2016	As at April 01, 2015	For the Period	On Deletions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Computer software	2,86,859	3,93,552	-	6,80,411	2,40,986	3,65,962	-	6,06,948	73,463	45,873
	<b>2,86,859</b>	<b>3,93,552</b>	<b>-</b>	<b>6,80,411</b>	<b>2,40,986</b>	<b>3,65,962</b>	<b>-</b>	<b>6,06,948</b>	<b>73,463</b>	<b>45,873</b>
<b>Current Year</b>	88,36,584	70,54,204	7,64,305	1,51,26,483	69,18,646	40,97,739	7,11,726	1,03,04,659	48,21,824	19,17,938
<b>Previous year</b>	<b>19,052,453</b>	<b>1,498,039</b>	<b>-</b>	<b>8,836,584</b>	<b>14,811,468</b>	<b>3,356,875</b>	<b>11,249,697</b>	<b>6,918,646</b>	<b>1,917,938</b>	<b>4,240,985</b>



**Note 12 : Non current investment [Refer note 29(c)]**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Trade investments - unquoted - valued at cost -</b>		
<b>Long term Investments in equity shares of subsidiaries:</b>		
B.N.Rathi Comtrades Private Limited [10,00,000 ( <b>31.03.2015</b> : 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 ( <b>31.03.2015</b> : 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>

**Note 13 : Deferred Tax Asset Components of Deferred Tax Assets**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Deferred tax asset</b>		
Depreciation	20,98,822	15,39,640
Employee benefits	8,04,637	6,17,653
<b>Total</b>	<b>29,03,459</b>	<b>21,57,293</b>

**Note 14 : Long Term Loans and Advance (Unsecured, Considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Capital advance [Refer note 35]	14,74,864	14,74,864
Tax deducted at source	73,43,966	71,03,919
Security deposits:		
- With exchanges	2,29,78,000	2,31,55,150
<b>Total</b>	<b>3,17,96,830</b>	<b>3,17,33,933</b>

**Note 15 : Other non-current assets (Unsecured, Considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Fixed deposits with banks* (Refer note 18) (Maturity period more than 12 months)	-	18,00,000
<b>Total</b>	<b>-</b>	<b>18,00,000</b>


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**Note 16 : Stock in Trade** (Valued at lower of cost and net realized value)

Particulars	Face Value	Quantity	As at March 31, 2016	Quantity	As at March 31, 2015
<b>Listed :</b>					
Vijay Textiles Limited	10	-	-	12,821	3,17,676
Nexsoft Infotel Limited	10	-	-	13,933	18,601
HBL Power Systems Limited	1	-	-	10,000	5,48,000
Vishnu Chemicals Limited	10	-	-	3,675	6,40,247
Hinduja Ventures	10	2,000	9,49,082	-	-
Vantel Technologies Limited	1	20,345	29,907	-	-
Less : Provision for diminution in the value of investments	-	-	1,09,782	-	-
Total (A)			8,69,207		
<b>Un-Listed :</b>					
Mahesh Vidya Bhavan Limited	10	20,000	2,00,000	20,000	2,00,000
Hyderabad Stock Exchange Limited	-	-	-	10,000	10,000
HSE Securities Limited	-	-	-	10,000	1,00,000
Bombay Stock Exchange Limited	10	400	1,00,000	400	1,00,000
Sevenhills Co-op. Bank Limited	10	5,000	5,00,000	5,000	5,00,000
<b>Total</b>			<b>8,00,000</b>		<b>24,34,524</b>
<b>Total (A) + (B)</b>			<b>16,69,207</b>		
<b>Market Value of Shares</b>			<b>8,39,300</b>		<b>12,12,420</b>

**Note 17 : Trade Receivables** (Refer note 32)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	127	-
Others	4,44,70,731	1,73,69,245
<b>Total</b>	<b>4,44,70,858</b>	<b>1,73,69,245</b>

**Note 18 : Cash and Bank Balances**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents:</b>		
Cash in hand	20,936	12,549
<b>Balance with banks</b>		
- In current accounts	8,54,97,610	1,30,52,816
- In earmarked accounts		
• Unpaid dividend accounts	15,31,362	14,05,160
- Balances with bank in fixed deposits account [Refer note below]	1,10,00,000	6,50,00,000
[Upto 3 months maturity from the date of acquisition]		
<b>Other Bank balances</b>		
-Balances with bank in fixed deposits account [Refer note below]	6,66,30,009	5,28,30,009
[Upto 12 months maturity from the date of acquisition and maturity more than 12 months but with in one year from the balance sheet date]		
<b>Total</b>	<b>16,46,79,917</b>	<b>13,23,00,534</b>

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**Note :**

Fixed deposits are given as security towards:

1. Bank Gaurentees	3,00,00,000	2,75,00,000
2. Overdraft facility	3,18,30,009	3,03,30,009
3. NSEIL - Currency derivatives	-	-
4. Bombay stock exchange india limited	10,00,000	10,00,000
5. NSCCL/ILFS F&O	40,00,000	1,00,00,000
6. NSECD	8,00,000	-
6. Others - FD	1,00,00,000	5,00,00,000
	<b>7,76,30,009</b>	<b>11,88,30,009</b>

**Note 19: Short term loans and advances (Unsecured considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Advances to related parties [Refer note 29(c)]	-	2,14,042
Loans and advances to employees	1,38,000	1,61,500
Margin with exchanges	10,15,00,000	7,50,00,000
Advances to suppliers and others	-	1,10,487
Security deposits		
- Others [Refer note 29(c)]	21,78,014	19,51,514
Other recievables	35,61,043	27,59,456
Prepaid expenses	7,23,291	6,81,291
Balance with government authorities	2,96,239	1,74,239
<b>Total</b>	<b>10,83,96,587</b>	<b>8,10,52,529</b>

**Note 20 : Other Current Assets**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits with banks	59,12,869	48,72,859
<b>Total</b>	<b>59,12,869</b>	<b>48,72,859</b>

**Note 21 : Revenue from Operations**

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Income from broking operations	11,88,58,161	10,64,45,564
Other Operating Revenue	2,56,40,148	1,67,59,050
<b>Total</b>	<b>14,44,98,309</b>	<b>12,32,04,614</b>



**Note 22 : Other Income**

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Interest income	1,85,97,356	1,65,69,056
Dividend income	69,100	2,55,000
Profit sale of fixed assets	98,421	-
Miscellaneous income	29,907	-
<b>Total</b>	<b>1,87,94,784</b>	<b>1,68,24,056</b>

**Note 23 : Employee Benefit Expenses**

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Salaries [Refer note 29(b) ]	2,93,50,379	1,30,19,909
Contribution to provident and other funds	9,93,360	13,49,369
Staff welfare	3,62,242	2,98,506
<b>Total</b>	<b>3,07,05,981</b>	<b>1,46,67,784</b>

**Note 24 : Finance Costs**

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Interest expense on:		
Working Capital	9,73,260	8,00,000
Term Loan	2,38,725	41,348
Others	44,72,352	26,58,014
Other borrowing costs	7,39,766	3,30,176
<b>Total</b>	<b>64,24,103</b>	<b>38,29,538</b>

**Note 25 : Other Expenses**

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
<b>Operating expenses:</b>		
Transaction charges	1,68,09,310	1,20,63,357
Other operating expenses	20,95,510	27,30,784
<b>Others:</b>		
Power and fuel	9,41,219	8,54,921
Rent [Refer note 30 ]	20,74,025	14,77,350
Repairs and maintenance	31,61,268	18,73,959
Insurance	47,338	66,492
Rates and taxes	27,34,176	11,17,087
Communication	8,90,991	5,96,458

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Travelling and conveyance	2,53,955	55,730
Printing and stationary	9,36,272	5,97,609
Provision for diminution in the value of investments	1,09,782	-
Business promotion	1,40,672	6,52,459
Donations	1,00,000	1,25,000
Legal and professional	4,52,620	5,50,541
Auditor's remuneration:		
- Statutory audit	75,000	75,000
- Tax audit	15,000	15,000
- Certification	1,60,000	1,60,000
Bad debts written off	-	10,86,700
Loss on sale of securities	1,67,452	6,74,692
General and other administration expenses	24,04,506	14,14,742
<b>Total</b>	<b>3,35,69,096</b>	<b>2,61,87,881</b>

**26. Contingent liabilities :**

## i) Bank Guarantees :

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Bank Guarantees	7,00,00,000	4,50,00,000

**27. Gratuity :**

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**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Current Service Cost	1,32,027	1,20,218
Interest cost on benefit obligation	1,52,295	-
Past Service cost - vested benefits	-	-
Expected return on plan assets	(1,18,051)	(1,06,488)
Net actuarial loss/(gain) recognized in the year	(9,020)	18,33,551
<b>Net benefit expense</b>	<b>1,57,251</b>	<b>18,47,281</b>

**Balance sheet****Benefit liability**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Present value of defined benefit obligation	(21,78,994)	(19,03,692)
Fair value of plan assets	15,73,522	13,43,298
<b>Plan liability</b>	<b>6,05,472</b>	<b>5,60,394</b>



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

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Opening defined benefit obligation	<b>19,03,692</b>	-
Current service cost	1,32,027	1,20,218
Interest cost	1,52,295	-
Past Service cost – vested benefits	-	-
Benefits paid	-	(50,077)
Actuarial losses on obligation	(9,020)	18,33,551
<b>Closing defined benefit obligation</b>	<b>21,78,994</b>	<b>19,03,692</b>

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

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Opening fair value of plan assets	<b>13,43,298</b>	<b>11,34,169</b>
Expected return	1,18,051	1,06,488
Contributions by employer	1,12,173	1,52,718
Benefits paid	-	(50,077)
Actuarial (losses)/gains	-	-
<b>Closing fair value of plan assets</b>	<b>15,73,522</b>	<b>13,43,298</b>

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

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Discount rate (%)	8%	8%
Expected rate of return on assets (%)	8%	8%
Salary escalation (%)	4%	4%
Attrition rate (%)	5%	5%

The estimates of future salary increases, 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.

**28. Segment reporting**

The Company's operations predominantly consist only of Broking activities. Hence, there are no reportable segments under Accounting Standard - 17 "Segment Reporting" (AS-17).

During the year, the company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. There are no other reportable segments.

**29. Related party disclosures as per AS 18:****a) Names of the related parties and nature of relationship:**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
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:**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Rent &amp; Maintenance paid :</b>	<b>9,72,000</b>	<b>9,39,750</b>
- Chanda Devi Rathi	7,32,000	6,99,750
- Govind Narayan Rathi HUF	2,40,000	2,40,000
<b>Remuneration paid :</b>	<b>26,40,000</b>	<b>22,20,000</b>
- Hari Narayan Rathi	16,80,000	14,40,000
- Chetan Rathi	9,60,000	7,80,000
<b>Dividend paid :</b>	<b>17,31,716</b>	<b>14,21,372</b>
- Hari Narayan Rathi	11,78,618	9,42,894
- Chetan Rathi	2,61,401	2,09,120
- Chanda Devi Rathi	1,96,805	1,57,444
- Nisha Rathi	94,893	75,914
<b>Service rendered - Brokerage received :</b>	<b>1,90,227</b>	<b>2,04,781</b>
- Hari Narayan Rathi	1,04,369	95,348
- Chetan Rathi	5,766	18,789
- Chanda Devi Rathi	7,594	18,145
- Nisha Rathi	12,005	3,545
- Govind Narayan Rathi	46,315	49,571
- Anuradha Pasari	202	265
- Hari Narayan Rathi HUF	13,976	19,118
<b>Advance given :</b>	<b>93,36,466</b>	<b>33,63,429</b>
- B.N. Rathi Industries Private Limited	2,00,000	25,00,000
<b>Advance recovered :</b>	<b>95,50,508</b>	<b>58,63,294</b>
- B.N. Rathi Industries Private Limited	2,00,000	50,00,000
<b>Sharing of expenses</b>		
- B.N.Rathi Comtrade Private Limited	91,21,466	8,63,429
<b>Sharing of expenses recovered</b>		
- B.N.Rathi Comtrade Private Limited	93,35,508	8,63,294
<b>Shares allotted :</b>	<b>11,84,477</b>	-
- Hari Narayan Rathi	7,85,745	-
- Chanda Devi Rathi	1,74,267	-
- Chetan Rathi	1,31,203	-
- Nisha Rathi	63,262	-
- Anuradha Pasari	20,000	-
- Laxmi Narayan Rathi	10,000	-





**c) Related party balances:**

Particulars	As at March 31, 2016	As at March 31, 2015
<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>Loans and advances given to related parties:</b>	<b>-</b>	<b>2,14,042</b>
- B.N.Rathi Comtrade Private Limited	-	214,042
- B.N. Rathi Industries Private Limited	-	-
<b>Rent Deposit:</b>	<b>11,00,000</b>	<b>11,00,000</b>
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000

**30. Lease obligation as Lessee (Lease Payments):**

Lease payments made under cancellable operating leases have been recognized as an expense in the Statement of Profit and Loss.

**31. Earnings per Share (EPS):**

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax	1,27,18,791	1,47,24,922
<b>Basic and diluted</b>		
Basic & Diluted (before extraordinary items)	3.24	5.37
Basic & Diluted (After extraordinary items)	4.24	5.37
Weighted average number of shares outstanding	29,99,540	27,42,128
<b>Face value per share (Rs.)</b>	<b>10</b>	<b>10</b>

**Note :**

Pursuant to the rights issue, as stated in note 3 (b), in respect of current year, the earnings per share has been restated for previous year as per Accounting Standard-20 (AS-20)- "Earnings Per Share" , specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

32. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2016 and such balances are subject to confirmation and reconciliation.

**33. Due to Micro and Small enterprise:**

The principal amount remaining unpaid as at March 31, 2016 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is Rs. Nil.

In respect of transactions with "Suppliers" who constitute Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 disclosures relating to interest paid/payable are not applicable.

34. Extraordinary item comprise the profit on sale of HSE shares.



35. 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 the favour of 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.
36. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

Place : Hyderabad  
Date : 25.05.2016

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

**Form 9.1**

**Statement containing salient features of the financial statements of Subsidiaries** (Pursuant to proviso to sub-section (3) of section 129 read with Rule 9.3 of the Companies Act, 2013)

1. Name of the Subsidiaries : **B. N. Rathi Comtrade Private Limited**  
**B.N. Rathi Industries Private Limited**
2. Reporting Period : 31.03.2016
3. Reporting Currency : Indian Rupee

S.No.	Particulars	B. N. Rathi Comtrade Private Limited Amount in Rupees	B.N. Rathi Industries Private Limited Amount In Rupees
1.	Share Capital:	1,00,00,000	50,00,000
2.	Reserves & surplus for the year ending	1,73,19,561	2,35,678
3.	Total Assets	12,85,78,490	52,63,087
4.	Total Liabilities	12,85,78,490	52,63,087
5.	Investments	-	-
6.	Turnover (Income)	6,47,72,932	25,43,164
7.	Profit before Taxation	1,07,72,424	(3,64,148)
8.	Provision for Taxation	35,61,048	NIL
9.	Profit after Taxation	72,11,376	(3,64,148)
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

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

Place : Hyderabad  
Date : 25.05.2016



## **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**To the Members of  
B. N. Rathi Securities Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **B.N.Rathi Securities Limited** ("the Company"), and its subsidiaries (the Group) which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated 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 Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.



## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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 the state of affairs of the Group as at March 31, 2016, its profit and its cash flows for the year ended on that date.

## **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 and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2016 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, 2016 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

**T. Bharadwaj**  
Partner  
Membership No. 201042

Place : Hyderabad  
Date : May 25, 2016



## GROUP INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 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 and in accordance.

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and with the relevant provisions of the Act, pronouncements of The Institute of Chartered Accountants of India ('ICAI'). The financial statements have been prepared on an accrual basis and under the historical cost convention.

#### Basis of consolidation

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements, except otherwise stated for like transactions in similar circumstances.

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 Accounting Standard ('AS') 21 '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:

Names of the consolidating entities	Country of Incorporation	Percentage holding /interest (%) As at 31 March	
		2016	2015
B.N. Rathi Comtrade Private Limited	India	100.00	100.00
B.N.Rathi Industries Private Limited	India	100.00	100.00

### 2. Significant Accounting Policies:

#### Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

#### a) 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.

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.

***Income from Brokerage***

Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date

***Other operating revenue***

Other operating revenue includes income from business related to brokerage and is recognized based on the terms agreed with the customers when the services are rendered.

***Interest income:***

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

***Dividends***

Dividend income is recognized when the unit holder's right to receive dividend is established by the reporting date.

**b) Fixed Assets*****Tangible Assets:***

Tangible assets are stated at cost less accumulated depreciation. Subsequent expenditure related to items of tangible assets is added to its book value only if it increase the future benefits from the existing assets beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

***Intangible Assets:***

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated depreciation. Intangible assets are amortised over their estimated useful lives.

**c) Depreciation and Amortization**

Depreciation and Amortization on fixed assets is provided on Written down value method at the rates specified in Schedule II of the Companies Act, 2013 on pro-rata basis.

Individual Fixed Assets costing Rs.5,000 and below are fully depreciated in the year of purchase.

**d) Employee Benefits*****Provident Fund:***

Contributions paid/ payable under defined contribution plans are recognized in the Statement of Profit and Loss in each year. Contribution plans primarily consists of Provident Fund administered and managed by the Government of India. The Group makes monthly contributions and has no further obligations under the plan beyond its contributions.

***Gratuity Fund:***

The Group operates a defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which it occurs in the statement of profit and loss.

**e) Leases**

Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease for the period are treated as revenue expenditure.

**f) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**g) Taxation:**

- (i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent years. Deferred Tax Assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (iii) Provision for taxation for the period(s) is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.
- (iv) Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets, if any.
- (v) Current tax assets and liabilities are offset when there is a legally enforceable rights to set off the recognised amount and there is intention to settle the assets and the liabilities on a net basis.
- (vi) Deferred tax assets and liabilities are offset when there is a legally enforceable rights to set off assets against liabilities representing the current tax and where the deferred tax and liabilities relate to taxes on income levied by the same governing taxation laws.

**h) Provisions**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**i) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

**j) Impairment**

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is adjusted/ reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

**k) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**Consolidated Balance Sheet as at 31st March, 2016**

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I. Equity and liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share capital	3	5,04,00,000	2,52,00,000
(b) Reserves and surplus	4	10,71,23,887	8,20,34,537
<b>(2) Non-current liabilities</b>			
(a) Long-Term Borrowings	5	15,78,910	-
(b) Long term provisions	6	23,25,364	18,10,966
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	-	1,04,28,451
(b) Trade payables	8	-	-
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises		30,99,68,800	23,76,65,830
(c) Other current liabilities	9	1,16,81,844	71,92,171
(d) Short-term provisions	10	1,54,01,816	1,34,79,503
<b>Total</b>		<b>49,84,80,621</b>	<b>37,78,11,457</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets	11A	54,24,605	29,75,902
(ii) Intangible assets	11B	73,463	45,873
(b) Deferred Tax Assets	12	33,93,448	25,35,182
(c) Long term loans and advances	13	4,09,05,219	3,86,80,485
(d) Other non-current assets	14	3,75,00,000	18,00,000
<b>(2) Current assets</b>			
(a) Stock in trade	15	16,69,207	45,32,366
(b) Trade receivables	16	8,81,76,076	6,10,09,380
(c) Cash and bank balances	17	18,45,85,997	16,73,94,781
(d) Short term loans and advances	18	13,00,24,831	9,30,23,974
(e) Other current assets	19	67,27,775	58,13,514
<b>Total</b>		<b>49,84,80,621</b>	<b>37,78,11,457</b>

Corporate information 1  
Summary of significant accounting policies 2  
Accompanying notes forming an integral part of the financial statements 1 to 36

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

Place : Hyderabad  
Date : 25.05.2016



## Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I. Revenue from operations (Net)	20	20,81,06,968	17,09,35,495
II. Other Income	21	2,25,02,221	1,95,74,654
<b>Total Revenue (I+II)</b>		<b>23,06,09,189</b>	<b>19,05,10,149</b>
<b>Expenses:</b>			
Change in inventories of finished goods	22	20,97,842	-
Construction expenses	23	17,160	1,37,83,476
Employee benefit expenses	24	4,02,03,862	1,83,37,068
Finance costs	25	67,87,745	40,31,638
Depreciation and amortisation expenses	11	46,86,430	46,18,507
Other expenses	26	5,39,70,266	4,02,68,580
Sharing of brokerage		9,60,81,185	8,55,87,919
<b>Total Expenses</b>		<b>20,38,44,490</b>	<b>16,66,27,188</b>
<b>III. Profit before tax (I-II)</b>		<b>2,67,64,699</b>	<b>2,38,82,961</b>
Extraordinary item	35	30,15,000	-
<b>Profit before tax</b>		<b>2,97,79,699</b>	<b>2,38,82,961</b>
<b>IV. Tax expense:</b>			
Current tax expense			
- for current year		1,04,40,713	88,37,245
- relating to prior year		6,31,233	34,428
Deferred tax		(8,58,266)	(16,59,043)
<b>V. Profit from the period</b>		<b>1,95,66,019</b>	<b>1,66,70,331</b>
<b>VI. Earning per equity share:</b>			
Basic & diluted (Before extraordinary items)		5.52	6.08
Basic & diluted (After extraordinary items)	32	6.52	6.08
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 36		

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 25.05.2016

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer



## Consolidated Cash Flow Statement for the year ended 31st March, 2016

(Rs. in thousands)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,97,79,699	2,38,82,961
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	46,86,430	46,18,507
Interest expense	57,51,470	35,40,195
Profit on sale of fixed assets	(98,421)	-
Dividend income	(69,100)	(2,55,000)
Interest income	(2,22,22,133)	(1,88,73,663)
<b>Cash generated before working capital changes</b>	<b>1,78,27,945</b>	<b>1,29,13,000</b>
<b>Movements in working capital :</b>		
Increase in trade payables	7,23,02,971	5,56,23,007
Increase in other current liabilities	44,89,673	14,11,255
Decrease in other non- current liabilities	-	(20,00,000)
Increase in long term provisions	5,14,398	18,10,966
Increase in short term provisions	15,557	92,726
Decrease in trade inventories	28,63,159	24,62,239
(Increase)/decrease in trade receivables	(2,71,66,696)	24,80,479
Increase in other current assets	(9,14,261)	(11,71,385)
Increase in loans and advances	(7,25,23,708)	(85,33,447)
<b>Cash generated from operations</b>	<b>(25,90,962)</b>	<b>6,50,88,840</b>
Direct taxes paid	(1,18,70,361)	(84,51,091)
<b>Net cash flow from operating activities (A)</b>	<b>(1,44,61,323)</b>	<b>5,66,37,749</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets	(72,15,303)	(16,52,439)
Proceeds from sale of fixed assets	1,51,000	-
Dividend received	69,100	2,55,000
Interest received	2,22,22,133	1,88,73,663
<b>Net cash flow from investing activities (B)</b>	<b>1,52,26,930</b>	<b>1,74,76,224</b>
<b>C. Cash flows from financing activities</b>		
Proceeds/(Repayment) from long term borrowings	15,78,910	(5,00,238)
(Repayment) /proceeds from working capital borrowings	(1,04,28,451)	1,00,03,832
Proceeds from issue of equity shares	3,55,76,151	-
Dividends paid on equity shares	(37,80,000)	(30,24,000)
Tax on equity dividend paid	(7,69,532)	(5,13,929)
Interest paid	(57,51,470)	(35,40,195)
<b>Net Cash Flow From Financing activities (C)</b>	<b>1,64,25,608</b>	<b>24,25,470</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,71,91,215</b>	<b>7,65,39,443</b>
<b>E. Cash and cash equivalents [Refer Note 2(k)]</b>		
at the beginning of the year	16,73,94,781	9,08,55,338
at the end of the year	18,45,85,996	16,73,94,781

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 25.05.2016

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer



## Notes on consolidated Financial Statement for the year ended 31st March 2016

### Note : 3 Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised:</b> Equity shares of Rs.10 each	6,000,000	60,000,000	6,000,000	60,000,000
<b>Issued, subscribed and fully paid:</b> Equity shares of Rs.10 each	5,040,000	50,400,000	2,520,000	25,200,000
<b>Total</b>		<b>50,400,000</b>		<b>25,200,000</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, 2016</b>				
- Number of shares	2,520,000	2,520,000	-	5,040,000
- Amount	<b>25,200,000</b>	<b>25,200,000</b>	-	<b>50,400,000</b>
<b>Year ended March 31, 2015</b>				
- Number of shares	2,520,000	-	-	2,520,000
- Amount	<b>25,200,000</b>	-	-	<b>25,200,000</b>

**(b) Rights issue:** Pursant to the Rights issue, the Company had issued 25,20,000 shares at a price of Rs.15 per share aggregating Rs.37,800,000. The proceeds were utilized for paying Margin Money maintained with Stock Exchanges / Clearing members in accordance with the objective of the Rights issue.

**(c) 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, except in case of interim dividend.

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	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	15,71,490	31.18%	7,85,745	31.18%
Chetan Rathi	3,48,534	6.92%	1,74,267	6.92%
Chanda Devi Rathi	2,62,406	5.21%	1,31,203	5.21%

\*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.



**Notes on consolidated Financial Statement for the year ended 31st March 2016**

**Note : 4 Reserve & Surplus**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Capital Reserve (A)</b>	16,70,100	16,70,100
<b>b. Securities Premium Account (B)</b>		
Opening balance	1,22,40,000	1,22,40,000
<b>Add :</b> Premium on shares issued during the year	1,26,00,000	-
<b>Less :</b> Share issue expenses	22,23,849	-
	<b>2,26,16,151</b>	<b>1,22,40,000</b>
<b>c. General Reserve</b>		
Opening Balance	6,48,985	5,94,460
<b>Add:</b> Transferred from surplus in Statement of Profit and Loss	3,17,970	3,68,123
<b>Less:</b> Depreciation adjustment on account of change in useful life as per Companies Act, 2013 Rs. Nil (31.03.2015: net of deferred tax of Rs. 1,50,613)	-	3,13,598
	<b>9,66,955</b>	<b>6,48,985</b>
<b>d. Surplus in Statement of Profit and Loss</b>		
Opening balance	6,74,75,452	5,57,27,933
<b>Add:</b> Profit for the year	1,95,66,019	1,66,70,331
<b>Less:</b> Income Tax of earlier Year	-	5,157
	<b>8,70,41,471</b>	<b>7,23,93,107</b>
<b>Less : Appropriations</b>		
- Transferred to general reserve	3,17,970	3,68,123
- Proposed dividend	40,32,000	37,80,000
- Tax on proposed dividend	8,20,820	7,69,532
	<b>51,70,790</b>	<b>49,17,655</b>
	<b>8,18,70,681</b>	<b>6,74,75,452</b>
<b>Total [A+B+C+D]</b>	<b>10,71,23,887</b>	<b>8,20,34,537</b>

**Note 5 : Long Term Borrowings**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Term Loans</b>		
From Banks		
Secured (Refer note (i) below)	15,78,910	-
<b>Total</b>	<b>15,78,910</b>	<b>-</b>

**Note (i):** The term loan taken from HDFC Bank Limited is secured by way of hypothecation of vehicle purchased. The Loan is repayable in 36 equal monthly instalments. The applicable interest rate is 9.37%. The period of maturity with respect to balance sheet date is 27 instalments.



## Notes on consolidated Financial Statement for the year ended 31st March 2016

### Note 6 : Long Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for gratuity (Refer note 28)	23,25,364	18,10,966
<b>Total</b>	<b>23,25,364</b>	<b>18,10,966</b>

### Note 7 : Short Term borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Working capital loans and overdrafts [repayable on demand]</b>		
From banks [Refer Note (i) below]		
Secured	-	1,04,28,451
<b>Total</b>	<b>-</b>	<b>1,04,28,451</b>

**Note :** Secured against the fixed deposits belonging to the Company with the bank.

### Note 8 : Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Creditors - clients	25,25,43,289	18,28,39,652
Creditors - NSEL	4,36,32,253	4,36,32,252
Creditors - Suppliers and other services [Refer note 33 and 34]	11,37,93,258	1,11,93,926
<b>Total</b>	<b>30,99,68,800</b>	<b>23,76,65,829</b>

### Note 9 : Other non current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long term debt [Refer note 5]	1,137,029	263,186
Unpaid dividend	1,521,362	1,395,160
Statutory remittances	2,234,341	1,074,838
Client margin deposits	3,899,429	4,452,137
Other deposits - Sub brokers	2,881,574	-
Other payables	8,109	6,850
<b>Total</b>	<b>11,681,844</b>	<b>7,192,171</b>



## Notes on consolidated Financial Statement for the year ended 31st March 2016

### Note 10 : Short Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for gratuity [Refer note 28]	108,283	92,726
Provision for taxation	10,440,713	8,837,245
Proposed dividend	4,032,000	3,780,000
Provision for tax on proposed dividend	820,820	769,532
<b>Total</b>	<b>15,401,816</b>	<b>13,479,503</b>

### Note 12 : Deferred tax assets Components of deferred tax assets

Particulars	As at March 31, 2016	As at March 31, 2015
Depreciation	25,88,811	19,17,529
Employee benefits	8,04,637	6,17,653
<b>Total</b>	<b>33,93,448</b>	<b>25,35,182</b>

### Note 13 : Long term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital advance	1,474,864	1,474,864
Tax deducted at source	10,952,355	8,550,471
Security deposits: - With exchanges	28,478,000	28,655,150
<b>Total</b>	<b>40,905,219</b>	<b>38,680,485</b>

### Note 14 : Other Non-current assets (Unsecured, Considered goods)

Particulars	As at March 31, 2016	As at March 31, 2015
Fixed deposits with banks (Refer note 17) (Maturity period more than 12 months)	3,75,00,000	18,00,000
<b>Total</b>	<b>3,75,00,000</b>	<b>18,00,000</b>

### Note 15 : Stock in trade

Particulars	As at March 31, 2016	As at March 31, 2015
Finished property (valued at lower of cost and net realisable value)	-	20,97,842
Stock in trade (refer note below)	16,69,207	24,34,524
<b>Total</b>	<b>16,69,207</b>	<b>45,32,366</b>



# Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March 2016

Particulars	Face Value	Quantity	As at March 31, 2016	Quantity	As at March 31, 2015
<b>Listed :</b>					
Gokaldas Exports Limited	10	-	-	-	-
Vijay Textiles Limited	10	-	-	12,821	3,17,676
Nexsoft Infotel Limited	10	-	-	13,933	18,601
HBL Power Systems Limited	1	-	-	10,000	5,48,000
Vishnu Chemicals Limited	10	-	-	3,675	6,40,247
Hinduja Ventures	10	2,000	9,49,002	-	-
Vantel Technologies Limited	1	20,345	29,907	-	-
Less :					
Provision for diminution in the value of investments			1,09,082		
<b>Total (A)</b>			<b>8,69,207</b>		
<b>Un-Listed :</b>					
Mahesh Vidya Bhavan Limited	10	20,000	2,00,000	20,000	2,00,000
Hyderabad Stock Exchange Limited	10	-	-	10,000	10,000
HSE Securities Limited	10	-	-	10,000	1,00,000
Bombay Stock Exchange Limited	10	400	1,00,000	400	1,00,000
Sevenhills Co-op. Bank Limited	10	5,000	5,00,000	5,000	5,00,000
<b>Total (B)</b>			<b>8,00,000</b>		<b>24,34,524</b>
<b>Total (A) + (B)</b>			<b>16,69,207</b>		<b>-</b>
<b>Market value of shares</b>			<b>8,39,300</b>		<b>12,12,420</b>

## Note 16 : Trade receivables (Refer Note 33)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	4,36,30,845	4,36,30,486
Others	4,45,45,231	1,73,78,894
<b>Total</b>	<b>8,81,76,076</b>	<b>6,10,09,380</b>





## Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2016

### Note : 11 Fixed Assets

#### Note 11 A : Tangible Assets

Particulars	Gross Block				Depreciation			Net Block		
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	As at April 01, 2015	For the Period	On Deletions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Furniture and fittings	2,954,789	134,026	103,000	2,985,815	1,883,841	664,874	90,598	2,458,118	527,697	1,070,948
Motor Vehicles	3,572,108	5,153,327	618,305	8,107,130	2,796,959	2,095,176	584,579	4,307,556	3,799,574	775,149
Computers and data processing units	2,043,778	756,998	-	2,800,776	1,664,442	746,733	-	2,411,175	389,601	379,336
Office equipment	3,911,868	777,400	43,000	4,646,268	3,161,399	813,685	36,549	3,938,535	707,733	750,469
<b>Current year</b>	<b>12,482,543</b>	<b>6,821,751</b>	<b>764,305</b>	<b>18,539,989</b>	<b>9,506,641</b>	<b>4,320,468</b>	<b>711,726</b>	<b>13,115,383</b>	<b>5,424,605</b>	<b>2,975,902</b>
<b>Previous year</b>	<b>20,158,255</b>	<b>1,606,939</b>	<b>9,282,651</b>	<b>12,482,543</b>	<b>14,186,437</b>	<b>4,431,827</b>	<b>9,111,623</b>	<b>9,506,641</b>	<b>2,975,902</b>	<b>5,971,818</b>

#### Note 11 B : Intangible Assets

Particulars	Gross Block				Depreciation			Net Block		
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	As at April 01, 2015	For the Period	On Deletions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Computer software	286,859	393,552	-	680,411	240,986	365,962	-	606,948	73,463	45,873
<b>Current year</b>	<b>286,859</b>	<b>393,552</b>	<b>-</b>	<b>680,411</b>	<b>240,986</b>	<b>365,962</b>	<b>-</b>	<b>606,948</b>	<b>73,463</b>	<b>45,873</b>
<b>Previous year</b>	<b>2,672,616</b>	<b>45,500</b>	<b>2,431,257</b>	<b>286,859</b>	<b>2,192,380</b>	<b>186,680</b>	<b>2,138,074</b>	<b>240,986</b>	<b>45,873</b>	<b>480,236</b>
<b>Current year</b>	<b>12,769,402</b>	<b>7,215,303</b>	<b>764,305</b>	<b>19,220,400</b>	<b>9,747,627</b>	<b>4,686,430</b>	<b>711,726</b>	<b>13,722,331</b>	<b>5,498,068</b>	<b>3,021,775</b>
<b>Previous year</b>	<b>22,830,871</b>	<b>1,652,439</b>	<b>11,713,908</b>	<b>12,769,402</b>	<b>16,378,817</b>	<b>4,618,507</b>	<b>11,249,697</b>	<b>9,747,627</b>	<b>3,021,775</b>	<b>6,452,054</b>



**Notes on consolidated Financial Statement for the year ended 31st March 2016**

**Note 17 : Cash and Bank Balances**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents:</b>		
Cash in hand	39,697	29,203
<b>Balance with banks</b>		
- In current accounts	8,79,73,582	1,48,24,553
- In earmarked accounts		
Unpaid dividend accounts	15,31,362	14,05,160
- Balances with bank in fixed deposits account		
<b>[Refer note below]</b>	1,62,00,000	7,60,00,000
[Upto 3 months maturity from the date of acquisition]		
<b>Other Bank balances</b>		
- Balances with bank in fixed deposits account		
<b>[Refer note below]</b>	7,88,41,356	7,51,35,865
[Upto 12 months maturity from the date of acquisition and maturity more than 12 months but within one year from the balance sheet date]		
<b>Total</b>	<b>18,45,85,997</b>	<b>16,73,94,781</b>

**Note:**

Held as security towards financial assistance availed and security deposits with exchanges.

**Note 18 : Short term loans and advances (Unsecured considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Loans and advances to employees	1,63,000	1,69,500
Margin with exchanges	12,15,00,000	8,60,00,000
Advances to suppliers and others	-	1,10,487
Security deposits		
- Related parties [Refer note 30(c)]	5,00,000	5,00,000
- Others	28,28,364	23,74,514
Other receivables	35,48,537	27,46,948
Prepaid expenses	9,69,557	8,97,131
Balance with government authorities	5,15,373	2,25,394
<b>Total</b>	<b>13,00,24,831</b>	<b>9,30,23,974</b>

**Note 19 : Other current assets**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits with banks and others	67,27,775	58,13,514
<b>Total</b>	<b>67,27,775</b>	<b>58,13,514</b>



## Notes on consolidated Financial Statement for the year ended 31st March 2016

### Note 20 : Revenue from Operations

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Income from broking operations	16,33,86,616	12,95,14,173
Other operating revenue	4,24,20,352	2,46,34,822
Income from sale of flats	23,00,000	1,67,86,500
<b>Total</b>	<b>20,81,06,968</b>	<b>17,09,35,495</b>

### Note 21 : Other Income

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Interest income	2,22,22,133	1,88,73,663
Dividend income	69,100	2,55,000
Profit on sale of fixed assets	98,241	-
Miscellaneous income	1,12,567	4,45,991
<b>Total</b>	<b>2,25,02,221</b>	<b>1,95,74,654</b>

### Note 22 : Change in inventories of finished goods

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Finished goods		
Opening stock	20,97,842	-
Less : Closing Stock	-	-
<b>Total</b>	<b>20,97,842</b>	

### Note 23 : Construction expenses

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Material	-	82,83,671
Labour	-	44,80,383
Professional and consultancy	-	4,43,932
Rates and taxes	-	3,66,477
Site expenses	17,160	1,81,285
Interest	-	17,603
Insurance	-	10,125
<b>Total</b>	<b>17,160</b>	<b>1,37,83,476</b>



## Notes on consolidated Financial Statement for the year ended 31st March 2016

### Note 24 : Employee Benefit Expenses

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Salaries [Refer note 30(b) ]	3,88,48,260	1,66,89,193
Contribution to provident and other funds	9,93,360	13,49,369
Staff welfare	3,62,242	2,98,506
<b>Total</b>	<b>4,02,03,862</b>	<b>1,83,37,068</b>

### Note 25 : Finance Cost

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
Interest expense on:		
- Working capital loans	10,40,393	8,16,798
- Term loans	2,38,725	41,348
- Others	44,72,352	26,58,014
- Delayed remittance of income tax	29,148	-
- Delayed remittance of service tax	500	24,035
Other borrowing costs	10,06,627	4,91,443
<b>Total</b>	<b>67,87,745</b>	<b>40,31,638</b>

### Note 26 : Other Expenses

Particulars	For the period ended March 31, 2016	For the period ended March 31, 2015
<b>Operating expenses:</b>		
Transaction charges	31,872,583	19,719,429
Other operating expenses	2,095,510	2,730,784
<b>Others:</b>		
Power and fuel	1,372,103	1,098,621
Rent [Refer note 31]	2,682,553	1,900,268
Repairs and maintenance	4,532,610	2,404,516
Insurance	76,586	86,090
Rates and taxes	3,577,731	1,954,953
Communication	1,818,032	1,246,491
Travelling and conveyance	339,475	330,733
Printing and stationary	936,272	617,441
Provision for diminution in the value of investments	1,09,782	-
Business promotion	196,956	669,417
Donations	250,000	225,000
Legal and professional	728,730	976,438



Auditor's remuneration:		
- Statutory audit	135,000	191,517
- Tax audit	25,000	32,500
- Certification	185,000	185,000
Bad debts written off	11,266	3,136,532
Loss on sale of commodities	3,060	51,792
Loss on sale of securities	167,452	674,692
General and other administration expenses	2,854,565	2,036,366
<b>Total</b>	<b>53,970,266</b>	<b>40,268,580</b>

**27. Contingent liabilities:**

i) Bank Guarantees:

Particulars	2015-16	2014-15
Bank Guarantees	9,70,00,000	6,20,00,000

**28. Gratuity**

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**

	March 31, 2016	March 31, 2015
Current service cost	1,32,027	1,20,218
Interest cost on benefit obligation	1,52,295	-
Past Service cost - vested benefits	-	-
Expected return on plan assets	(1,18,051)	(1,06,488)
Net actuarial loss/(gain) recognized in the year	(9,020)	18,33,551
<b>Net benefit expense</b>	<b>1,57,251</b>	<b>18,47,281</b>

**Balance sheet**

**Benefit liability**

	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	(21,78,994)	(19,03,692)
Fair value of plan assets	15,73,522	13,43,298
<b>Plan liability</b>	<b>6,05,472</b>	<b>5,60,394</b>

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	<b>19,03,692</b>	-
Current service cost	1,32,027	1,20,218
Interest cost	1,52,295	-
Past Service cost – vested benefits	-	-
Benefits paid	-	(50,077)
Actuarial losses on obligation	(9,020)	18,33,551
<b>Closing defined benefit obligation</b>	<b>21,78,994</b>	<b>19,03,692</b>

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

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Opening fair value of plan assets	<b>13,43,298</b>	<b>11,34,169</b>
Expected return	1,18,051	1,06,488
Contributions by employer	1,12,173	1,52,718
Benefits paid	-	(50,077)
Actuarial (losses)/gains	-	-
<b>Closing fair value of plan assets</b>	<b>15,73,522</b>	<b>13,43,298</b>

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

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Discount rate (%)	8%	8%
Expected rate of return on assets (%)	8%	8%
Salary escalation (%)	4%	4%
Attrition rate (%)	5%	5%

The estimates of future salary increases, 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.

**29. 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 company'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 company namely Broking activities and Property development under Accounting Standard - 17 on 'Segment Reporting'.



**Information about the primary business segments**

PARTICULARS	For the year ended 31 March, 2016			For the year ended 31 March, 2015		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	20,58,06,968	23,00,000	20,81,06,968	15,41,48,995	1,67,86,500	17,09,35,495
Inter-segment revenue	-	-	-	-	-	-
	<b>20,58,06,968</b>	<b>23,00,000</b>	<b>20,81,06,968</b>	<b>15,41,48,995</b>	<b>1,67,86,500</b>	<b>17,09,35,495</b>
Segment result	1,16,57,535	(5,80,407)	1,10,77,128	76,48,248	7,17,719	83,65,967
Interest Expense	67,86,745	26,905	68,14,650	40,31,638	26,022	40,57,660
<b>Operating income</b>	<b>48,69,790</b>	<b>(6,07,312)</b>	<b>42,62,478</b>	<b>36,16,610</b>	<b>6,91,697</b>	<b>43,08,307</b>
Other income	-	-	2,55,17,221	-	-	1,95,74,654
<b>Profit before taxes</b>	-	-	<b>2,97,79,699</b>	-	-	<b>2,38,82,961</b>
Tax expense	-	-	1,02,13,680	-	-	72,12,630
<b>Profit for the year</b>			<b>1,95,66,019</b>			<b>1,66,70,331</b>
Segment assets	48,22,85,763	52,42,503	48,75,28,266	36,30,64,480	61,90,476	36,92,54,956
Unallocable assets	1,09,31,771	20,584	1,09,52,355	85,50,471	6,030	85,56,501
<b>Total Assets</b>	<b>49,32,17,534</b>	<b>52,63,087</b>	<b>49,84,80,621</b>	<b>37,16,14,951</b>	<b>61,96,506</b>	<b>37,78,11,457</b>
Segment Liabilities	47,79,24,001	52,63,087	48,31,87,088	35,82,28,174	59,37,006	36,41,65,180
Unallocable Liabilities	1,52,93,533	-	1,52,93,533	1,33,86,777	2,59,500	1,36,46,277
<b>Total Liabilities</b>	<b>49,32,17,534</b>	<b>52,63,087</b>	<b>49,84,80,621</b>	<b>37,16,14,951</b>	<b>61,96,506</b>	<b>37,78,14,457</b>
<b>Other Information</b>						
Capital expenditure-Tangible	68,21,751	-	68,21,751	16,06,939	-	16,06,939
Depreciation and Amortisation	46,86,430	-	46,86,430	46,18,507	-	46,18,507
Unallocated amortisation	-	-	-	-	-	-
<b>Total Depreciation &amp; Amortisation</b>	<b>46,86,430</b>	<b>-</b>	<b>46,86,430</b>	<b>46,18,507</b>	<b>-</b>	<b>46,18,507</b>



**30. Related party disclosures as per AS 18:**

**a) Names of the related parties and nature of relationship:**

<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>
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:**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Rent paid</b>	<b>9,72,000</b>	<b>9,39,750</b>
- Chanda Devi Rathi	7,32,000	6,99,750
- Govind Narayan Rathi HUF	2,40,000	2,40,000
<b>Remuneration paid</b>	<b>26,40,000</b>	<b>22,20,000</b>
- Hari Narayan Rathi	16,80,000	14,40,000
- ChetanRathi	9,60,000	7,80,000
<b>Dividend paid</b>	<b>17,31,716</b>	<b>14,21,372</b>
- Hari Narayan Rathi	11,78,618	9,42,894
- ChetanRathi	2,61,401	2,09,120
- Chanda Devi Rathi	1,96,805	1,57,444
- NishaRathi	94,893	75,914
<b>Service rendered – Brokerage received :</b>	<b>1,90,227</b>	<b>2,04,781</b>
- Hari Narayan Rathi	1,04,369	95,348
- ChetanRathi	5,766	18,789
- Chanda Devi Rathi	7,594	18,145
- NishaRathi	12,005	3,545
- Govind Narayan Rathi	46,315	49,571
- AnuradhaPasari	202	265
- Hari Narayan Rathi HUF	13,976	19,118
<b>Shares allotted:</b>	<b>11,84,477</b>	-
- Hari Narayan Rathi	7,85,745	-
- Chanda Devi Rathi	1,74,267	-
- ChetanRathi	1,31,203	-
- NishaRathi	63,262	-
- AnuradhaPasari	20,000	-
- Laxmi Narayan Rathi	10,000	-

**c) Related party balances:**

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Rent Deposit :</b>	<b>11,00,000</b>	<b>11,00,000</b>
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000





**31. Lease obligation as Lessee (Lease Payments):**

Lease payments made under cancellable operating leases have been recognized as an expense in the Statement of Profit and Loss.

**32. Earnings per Share (EPS):**

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax	195,66,019	166,70,331
<b>Basic and diluted</b>		
Basic & Diluted (before extraordinary items)	5.52	6.08
Basic & Diluted (After extraordinary items)	6.52	6.08
Weighted average number of shares outstanding	29,99,540	27,42,128
<b>Face value per share (Rs.)</b>	<b>10</b>	<b>10</b>

**Note:** Pursuant to the rights issue, as stated in note 3 (b), in respect of current year, the earnings per share has been restated for previous year as per Accounting Standard-20 (AS-20)- "Earnings Per Share", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

33. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2016 and such balances are subject to confirmation and reconciliation.

**34. Due to Micro and Small enterprise:**

The principal amount remaining unpaid as at March 31, 2016 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is Rs. Nil.

In respect of transactions with "Suppliers" who constitute Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 disclosures relating to interest paid/payable are not applicable.

35. Extraordinary item comprise the profit on sale of HSE shares.

36. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

**CHETAN RATHI**  
Executive Director-cum-CFO

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

Place : Hyderabad  
Date : 25.05.2016



## **DIRECTOR'S REPORT**

To

The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 8<sup>th</sup> Annual report together with Audited accounts for the year ended 31<sup>st</sup> March, 2016.

### **1. FINANCIAL RESULTS:**

(Rs. In Lacs)

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Income	647.72	335.27
Total Expenditure	540.00	315.58
Profit/Loss before Tax	107.72	19.69
Provision for taxation	35.61	6.23
Profit after Tax	72.11	13.46
Balance carried to Balance Sheet	<b>72.11</b>	<b>13.46</b>

### **PERFORMANCE REVIEW:**

The Company has made an income of Rs. 647.72 lakhs and a profit of Rs. 72.11 lakhs in the current year against the income of Rs. 335.27 Lakhs and a profit of Rs. 13.46 Lakhs in the previous year

The Company has been continuously working on quality up gradation and austerity measures for achieving efficient running of the organization.

### **DIVIDEND:**

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes taken place subsequent to the date of financial statements.

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

There were no material changes and commitments affecting Financial position of the company between 31st March, 2016 and the date of Board's Report. (i.e. 24.05.2016)

### **BOARD MEETINGS:**

The Board of Directors met Four times during the year on 26.05.2015, 11.07.2015, 30.10.2015 and 10.02.2016 and the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

### **TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

### **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.



**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.

**SUBSIDIARY COMPANY:**

Your Company does not have any subsidiary.

**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.

**DIRECTORS:**

During the year no directors were appointed or resigned from the office of Directorship.

**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.

**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 |



**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.

**AUDITORS:**

M/s. Seshachalam & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for re-appointment. Your directors propose the appointment of M/s. Seshachalam & Co., Chartered Accountants, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

**EXTRACT OF 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 extract of annual return in MGT 9 as a part of this Annual Report (FORMAT IN ANNEXURE I)

**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.

**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.

**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.

**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.

**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 23 to the financial statement which sets out related party disclosures.

**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**

**Hari Narayan Rathi**  
Director  
(DIN: 00010968)

Place : Hyderabad  
Date : 24.05.2016

**B.N. RATHI COMTRADE PRIVATE LIMITED**

U74900TG2008PTC060088

**MGT 9****Extract of Annual Return****As on the Financial Year 31.03.2015****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS :**

i	CIN	U74900TG2008PTC060088
ii	Registration Date	10.07.2008
iii	Name of the Company	B N. Rathi Comtrade Private Limited
iv	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v	Address of the Registered office and contact details	6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082
vi	Whether listed company Yes / No	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1. Commodities Broking	-	92

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1. B.N. Rathi Securities Private Limited 6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082	L65993TG1985PLC005838	Holding Company	100%	2(87)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total equity)

##### i) Category-wise Share Holding :

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoters</b>									
(1) Indian Individual/ HUF (as nominee u/sec.187 of the Companies Act, 2013)	-	20	20	0.002	-	20	20	0.002	-
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	-	9,99,980	9,99,980	99.998	-	9,99,980	9,99,980	99.998	-
Banks / FI									
Any Other....									
<b>Sub-total(A) (1)</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total share holding of Promoter(A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1.Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0



<b>2. Non Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual share holder sholding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual share holders holding nominal share capital in excess of Rs 1lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Sub-total (B)(2)									
Total Public Shareholding(B) = (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held byCustodian for GDRs & ADRs	0	0	0	0	0	00	0	0	0
Grand Total (A+B+C)	0	10,00,000	10,00,000	100	0	10,00,000	10,00,000	100	0

**(ii) Shareholding of promoters**

Share holder's name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
1. HARI NARAYAN RATHI (as nominee u/sec.187 of the Companies Act, 2013)	0	10	10	0.001	0	10	10	0.001	0
2. CHETAN RATHI (as nominee u/sec.187 of the Companies Act, 2013)	0	10	10	0.001	0	10	10	0.001	0
3. B.N. RATHI SECURITIES LIMITED (as nominee u/sec.187 of the Companies Act, 2013)	0	9,99,980	9,99,980	99.998	0	9,99,980	9,99,980	99.998	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): <b>NA</b>				
At the End of the year				





**(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	NA	NA	NA	NA
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): <b>NA</b>				
At the End of the year	NA	NA	NA	NA

**(v) Shareholding of Directors and Key Managerial Personnel :**

For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	20	0.002	20	0.002
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): <b>NA</b>				
At the End of the year	20	0.002	20	0.002

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount				
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				



# **B.N. RATHI COMRADE PRIVATE LIMITED**

U74900TG2008PTC060088

## **VI. Remuneration of Directors and Key Managerial Personnel**

### **A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Particulars of Remuneration	Name of MD/MTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salaryunder section 17(3) Income tax Act, 1961	4,80,000 p.a.	-	-	-	4,80,000 p.a.
2. Stock Option	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-
4. Commission- as % of profit Others, specify...	-	-	-	-	-
5. Others, please specify	-	-	-	-	-
6. Total (A)	4,80,000	-	-	-	-
7. Ceiling as per the Act	-	-	-	-	-

### **B. Remuneration to other directors :**

Particulars of Remuneration	Name of Director				Total Amount
<b>Independent Directors</b> - Fee for attending board / committee meetings -Commission -Others please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
<b>Other Non-Executive Directors</b> - Fee for attending board / committee meetings -commission -Others please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd**

Particulars of Remuneration	Key Managerial Personnel			Total
	CEO	Company Secretary	CFO	
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission - as % of profit - others, specify...	-	-	-	-
5. Others, please specify	-	-	-	-
6. Total	-	-	-	-

**VII. Penalties / Punishment / Compounding of Offences : Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
B.N. Rathi Comtrade Private Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of B.N. Rathi Comtrade Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2016, its profit and its cash flows for the year ended on that date.



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

1. As required by the Companies (Auditor's report) Order, 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 dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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

T Bharadwaj  
**Partner**  
Membership No. 201042

Place : Hyderabad  
Date : 24.05.2016



### **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) Fixed assets 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, 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, wealth 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 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 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

T Bharadwaj  
**Partner**  
Membership No. 201042

Place : Hyderabad

Date : 24.05.2016



**Annexure 2 to the Independent Auditor's report of even date on the standalone 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, 2016 in conjunction with our audit of the standalone 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 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, 2016, 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 financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 24, 2016 expressed an unqualified opinion.

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

T Bharadwaj  
**Partner**  
Membership No. 201042

Place : Hyderabad  
Date : 24.05.2016



**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 Company is primarily engaged in the business of broking in commodities.

**Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

**2. Significant Accounting Policies:**

**Basis of preparation of financial statements**

The financial statements of the Company have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

**a) 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. The following specific recognition criteria must also be met before revenue is recognized:

***Income from Brokerage***

Brokerage income on commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the clients on the trade date

***Interest income:***

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

**b) Fixed Assets**

***Tangible Assets:***

Tangible fixed assets are stated at cost less accumulated depreciation. Cost comprises purchase price and other costs attributable for bringing the asset to its working condition for its intended use.

**c) Depreciation**

Depreciation and Amortization on fixed assets is provided on Straight line method at the rates specified in Schedule II of the Companies Act, 2013 on pro-rata basis. Individual Fixed Assets costing Rs.5,000 and below are fully depreciated in the year of purchase.

**d) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases.

**e) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**f) Taxation:**

- (i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent years. Deferred Tax Assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (iii) Provision for taxation for the period(s) is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.
- (iv) Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.
- (v) Current tax assets and liabilities are offset when there is a legally enforceable rights to set off the recognised amount and there is intention to settle the assets and the liabilities on a net basis.
- (vi) Deferred tax assets and liabilities are offset when there is a legally enforceable rights to set off assets against liabilities representing the current tax and where the deferred tax and liabilities relate to taxes on income levied by the same governing taxation laws.

**g) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**h) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**i) Impairment**

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is adjusted/ reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

**j) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**Balance Sheet as at 31st March, 2016**

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,00,00,000	1,00,00,000
(b) Reserves and surplus	4	1,73,19,561	1,01,08,185
<b>2 Current liabilities</b>			
(a) Short term borrowings	5	-	4,28,451
(b) Trade payables	6		
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro small enterprises		9,60,34,193	7,37,94,412
(c) Other current liabilities	7	15,51,589	9,65,716
(d) Short-term provisions	8	36,73,147	9,05,880
<b>Total</b>		<b>12,85,78,490</b>	<b>9,62,02,644</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		6,76,245	11,03,837
(b) Deferred tax asset	10	4,89,989	3,77,889
(c) Long term loans and advances	11	90,87,805	69,40,522
(d) Other non-current assets	12	3,75,00,000	-
<b>2 Current assets</b>			
(a) Trade receivables	13	4,37,05,218	4,36,40,135
(b) Cash and bank balances	14	1,46,91,184	3,10,18,491
(c) Short-term loans and advances	15	2,16,40,750	1,21,97,993
(d) Other current assets	16	7,87,299	9,23,777
<b>Total</b>		<b>12,85,78,490</b>	<b>9,62,02,644</b>

Corporate information 1  
Summary of significant accounting policies 2  
Accompanying notes forming an integral part of the financial statements 1 to 29

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director  
DIN : 00536441

**Nisha Rathi**  
Executive Director  
DIN : 02210852

Place : Hyderabad  
Date : 24.05.2016



### Statement of Profit & Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I. Revenue from operations	17	6,13,08,659	3,09,44,381
II. Other income	18	34,64,273	25,82,969
<b>III. Total revenue</b>		<b>6,47,72,932</b>	<b>3,35,27,350</b>
<b>IV. Expenses</b>			
Employee benefit expenses	19	93,14,781	29,68,284
Finance costs	20	3,36,737	1,76,078
Depreciation	9	5,88,691	12,61,632
Other Expenses	21	1,98,18,865	1,24,96,394
Share of brokerage		2,39,41,434	1,46,56,111
<b>IV. Total expenses</b>		<b>5,40,00,508</b>	<b>3,15,58,499</b>
<b>V. Profit Before Tax</b>		<b>1,07,72,424</b>	<b>19,68,851</b>
<b>VI. Tax expense</b>			
- Current tax		36,73,147	9,05,880
- Deferred tax		(1,12,099)	(2,82,612)
<b>VII. Profit for the year</b>		<b>72,11,376</b>	<b>13,45,583</b>
<b>X. Earnings per equity share - Rs.10</b>			
Basic and diluted	25	7.21	0.13
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 29		

As per our Report of even date.

For **SESHACHALAM & CO.**,  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director

**Nisha Rathi**  
Executive Director

Place : Hyderabad  
Date : 24.05.2016



## Cash Flow Statement for the year ended 31st March, 2016

(Rs. in thousands)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	<b>10,772,424</b>	<b>1,968,851</b>
Adjustments:		
Depreciation	588,691	1,261,632
Interest expense	67,133	16,798
Interest income	(3,378,047)	(2,236,980)
<b>Cash generated before working capital changes</b>	<b>8,050,201</b>	<b>1,010,301</b>
Increase in trade payables	22,239,781	9,751,328
Increase in other current liabilities	585,873	51,125
(Increase) /Decrease in trade receivables	(65,083)	1,649,132
Increase in loans and advances	(46,942,757)	(4,668,427)
<b>Cash generated from operations</b>	<b>(16,131,985)</b>	<b>7,793,459</b>
Direct taxes paid	(3,053,163)	(1,017,893)
<b>Net cash flow from operating activities (A)</b>	<b>(19,185,148)</b>	<b>6,775,566</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(161,099)	(154,400)
Interest received	3,514,524	2,070,554
<b>Net cash flow from investing activities (B)</b>	<b>3,353,425</b>	<b>1,916,154</b>
<b>C. Cash flows from financing activities</b>		
(Repayment) / Proceeds of short term borrowings	(428,451)	11,045
Interest paid	(67,133)	(16,798)
<b>Net Cash Flow From Financing activities (C )</b>	<b>(495,584)</b>	<b>(5,753)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>(16,327,307)</b>	<b>8,685,967</b>
<b>E. Cash and cash equivalents [Refer Note 2(j)]</b>		
at the beginning of the year	31,018,491	22,332,524
at the end of the year	<b>14,691,184</b>	<b>31,018,491</b>

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director

**Nisha Rathi**  
Executive Director

Place : Hyderabad  
Date : 24.05.2016



## Notes Forming Part of the Balance Sheet as at 31st March, 2016

### Note 3 : Share Capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<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>Total</b>	10,00,000	1,00,00,000	10,00,000	1,00,00,000

(a) 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, 2016</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000
<b>Year ended March 31, 2015</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000

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

Equity 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.

(c) **Details of shares held by each shareholder holding company**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	Percentage of holding	No. 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\***

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	Percentage of holding	No. 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.



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

**Note 4 : Reserve & Surplus**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Capital reserve</b>		
Opening Balance	1,79,700	1,79,700
Add : Addition during the year	-	-
Less : Utilised / transfeed during the year	-	-
<b>(A)</b>	<b>1,79,700</b>	<b>1,79,700</b>
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening balance	99,28,485	85,88,059
Add: Profit for the year	72,11,376	13,45,583
Less : Income tax of earlier year	-	(5,157)
<b>(B)</b>	<b>1,71,39,861</b>	<b>99,28,485</b>
<b>Total [A+B]</b>	<b>1,73,19,561</b>	<b>1,01,08,185</b>

**Note 5 : Short Term Borrowings**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Secured</b> [Refer Note below]		
<b>Working capital loan</b> (repayable on demand)		
From Bank	-	4,28,451
<b>Total</b>	<b>-</b>	<b>4,28,451</b>

**Note** : Secured by the guarantee of the fixed deposits of the Company with the bank.

**Note 6 : Trade Payables** (Refer note 26 and 27)

Particulars	As at March 31, 2016	As at March 31, 2015
Creditors - Clients	4,81,23,896	2,80,73,226
Creditors - NSEL	4,36,32,253	4,36,32,252
Creditors - Suppliers and other services	42,78,044	20,88,934
<b>Total</b>	<b>9,60,34,193</b>	<b>7,37,94,412</b>

**Note 7 : Other Current Liabilities**

Particulars	As at March 31, 2016	As at March 31, 2015
Due to holding company [Refer note 23(c)]	-	2,14,042
Statutory remittances	10,81,796	4,37,383
Client margin deposits	2,21,944	3,11,192
Other deposits	2,40,240	
Other payables	7,609	3,099
<b>Total</b>	<b>15,51,589</b>	<b>9,65,716</b>

**Note 8 : Short Term Provisions**

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for income tax	36,73,147	9,05,880
<b>Total</b>	<b>36,73,147</b>	<b>9,05,880</b>





**Note : 9 Fixed Assets**

**i : Tangible Assets**

Particulars	Gross Block-at cost				Depreciation				Net Block	
	As at April 01, 2015	Additions	Deletions	Upto March 31, 2016	Upto March 31, 2015	For the year	On disposals	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Furnitures and fittings	23,86,191	-	-	23,86,191	15,26,271	4,21,583	-	19,47,854	4,38,337	8,59,920
Office equipments	4,78,161	82,990	-	5,61,151	3,31,596	93,020	-	4,24,616	1,36,535	1,46,565
Motor Vehicles	6,09,216	66,462	-	6,75,678	5,17,844	65,312	-	5,83,156	92,522	91,372
Computers	4,59,250	11,647	-	4,70,897	4,53,270	8,776	-	4,62,046	8,851	5,980
<b>Total</b>	<b>39,32,818</b>	<b>1,61,099</b>	<b>-</b>	<b>40,93,917</b>	<b>28,28,981</b>	<b>5,88,691</b>	<b>-</b>	<b>34,17,672</b>	<b>6,76,245</b>	<b>11,03,837</b>
<b>Previous year</b>	<b>36,83,196</b>	<b>1,63,000</b>	<b>67,778</b>	<b>37,78,418</b>	<b>10,61,313</b>	<b>5,55,623</b>	<b>49,587</b>	<b>15,67,349</b>	<b>22,11,069</b>	<b>26,21,883</b>



**Note 10 : Deferred tax asset - Components of deferred tax asset**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Deferred tax asset</b>		
Depreciation	4,89,989	3,77,889
<b>Gross deferred tax liability</b>	<b>4,89,989</b>	<b>3,77,889</b>

**Note 11 : Long term loans and advances (Unsecured, considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Advance tax and tax deducted at source	35,87,805	14,40,522
Security deposits:		
- With exchanges	55,00,000	55,00,000
<b>Total</b>	<b>90,87,805</b>	<b>69,40,522</b>

**Note 12 : Other non-current assets (Unsecured, considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Fixed deposits with banks (Maturity period more than 12 months)	3,75,00,000	-
<b>Total</b>	<b>3,75,00,000</b>	<b>-</b>

**Note 13 : Trade receivables (Unsecured, considered good)**

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months		
- NSEL	43,630,486	43,630,486
- Other than NSEL	232	-
Others		
- NSEL	-	-
- Other than NSEL	74,500	9,649
<b>Total</b>	<b>43,705,218</b>	<b>43,640,135</b>

**Note 14 : Cash and bank balances**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Cash and cash equivalents</b>		
- Cash in hand	18,690	16,581
- Balance with banks in n current accounts	24,61,147	1,96,054
- Balances with Banks in Fixed Deposits Account [Upto 3 months maturity from the date of acquisition]		85,00,000
<b>b. Other Bank Balances*(Upto 12 months maturity from the date of acquisition and maturity more than 12 months but within one year from the balance sheet date)</b>		
	12,211,347	2,23,05,856
<b>Total</b>	<b>1,46,91,184</b>	<b>3,10,18,491</b>



**Note 15 : Short term loans and advances** (Unsecured, considred good)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with government authorities	2,19,134	51,155
Prepaid Expenses	2,46,266	2,15,838
Loans and advances to employees	25,000	8,000
Margin with exchanges	2,00,00,000	1,10,00,000
Security Deposits given :		
- To a Related party [ Refer note 23 (c ) ]	5,00,000	5,00,000
- To others	6,50,350	4,23,000
<b>Total</b>	<b>2,16,40,750</b>	<b>1,21,97,993</b>

**Note 16 : Other current assets** (Unsecured, considred good)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits with bank	7,87,299	9,23,776
<b>Total</b>	<b>7,87,299</b>	<b>9,23,776</b>

**Note 17 : Revenue from Operations**

Particulars	As at March 31, 2016	As at March 31, 2015
Income from broking operations	4,45,28,455	2,30,68,609
Other operating revenue :		
- Transaction charges	1,63,24,902	76,56,072
- Other charges	4,55,302	2,19,700
<b>Total</b>	<b>34,64,273</b>	<b>3,09,44,381</b>

**Note 18 : Other Income**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest on deposits with bank	33,78,047	22,36,980
Interest on income tax refund	33,566	-
Miscellaneous income	52,660	3,45,989
<b>Total</b>	<b>34,64,273</b>	<b>25,82,969</b>

**Note 19 : Employee Benefit Expenses**

Particulars	As at March 31, 2016	As at March 31, 2015
Salaries and bonus [Refer note 23(b)]	93,14,781	29,68,284
<b>Total</b>	<b>93,14,781</b>	<b>29,68,284</b>

**Note: 20 Finance Costs**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest expense on working capital loan	67,133	16,798
Interest on delayed remittance of Income tax	3,072	-
Bank and other finance charges	2,66,532	159,280
<b>Total</b>	<b>3,36,737</b>	<b>176,078</b>



**Note 21 : Other Expenses**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Operating expenses:</b>		
Transaction charges	1,50,63,273	76,56,072
<b>Other expenses:</b>		
Power and Fuel	4,27,994	2,27,035
Rent [Refer note 24]	5,37,428	2,77,278
Repairs and maintenance	13,71,342	5,30,557
Insurance	19,608	19,598
Rates & Taxes	4,28,200	1,27,615
Communication	9,17,627	6,39,383
Traveling Expenditure	69,808	-
Business Promotion Expense	56,284	16,958
Donations & Contributions	1,50,000	1,00,000
Legal & Professional fee	2,37,110	3,76,224
Audit Fee:		
• Statutory audit	50,000	50,000
• Tax audit	10,000	10,000
• Certification	25,000	25,000
Balances written off	11,266	20,49,832
Loss on sale on fixed asset	-	-
Loss on trading of commodities	3,060	51,792
Other expenses	4,40,865	3,39,050
<b>Total</b>	<b>1,98,18,865</b>	<b>1,24,96,394</b>

**22. Contingent liabilities**

Particulars	2015-16	2014-15
Bank Guarantees	2,70,00,000	1,70,00,000

23. Related party transactions as per AS 18 are as follows:

**a) Names of the related parties and nature of relationship:**

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Key Managerial Personnel	Nisha Rathi - Executive Director
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:**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Managerial Remuneration:</b>		
- Nisha Rathi	4,80,000	3,00,000
<b>Rent paid</b>		
- Chanda Devi Rathi	2,48,000	2,23,350
<b>Sharing of expenses :</b>		
- B N Rathi Securities Limited	91,21,466	8,63,429
<b>Sharing of expense paid :</b>		
- B N Rathi Securities Limited	93,35,508	8,63,294

**c) Related party balances:**

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Unsecured Loans payable:</b>		
- B N Rathi Securities Limited	-	2,14,042
<b>Rental Deposit receivable:</b>		
- Chanda Devi Rathi	5,00,000	5,00,000

**24. Lease obligation as Lessee (Lease Payments)**

Lease payments made under cancellable operating leases have been recognized as an expense in the Statement of Profit and Loss.

**25. Earnings per Share (EPS):**

<b>Particulars</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Profit after tax	72,11,376	13,45,583
<b>Basic and diluted</b>	<b>7.21</b>	<b>0.13</b>
Weighted average number of shares outstanding	10,00,000	10,00,000
<b>Face value per share (Rs.)</b>	<b>10</b>	<b>10</b>

26. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2016 and such balances are subject to confirmation and reconciliation.
27. The principal amount remaining unpaid as at March 31, 2016 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is Rs. Nil.
- In respect of transactions with "Suppliers" who constitute Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 disclosures relating to interest paid/payable are not applicable
28. The Company's operations predominantly consist only of Broking in commodities. Hence, there are no reportable segments under Accounting Standard - 17 "Segment Reporting" (AS-17).

**B.N. RATHI COMRADE PRIVATE LIMITED**

U74900TG2008PTC060088

During the year, the company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. There are no other reportable segments.

29. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date.

For **SESHACHALAM & CO.**,  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director  
DIN : 00536441

**Nisha Rathi**  
Executive Director  
DIN : 02210852

Place : Hyderabad  
Date : 24.05.2016

**DIRECTOR'S REPORT**

To

The Members of B N Rathi Industries Private Limited,

We have pleasure in presenting the 3<sup>rd</sup> Annual report together with Audited accounts for the year ended 31<sup>st</sup> March, 2016.

**1. FINANCIAL RESULTS:**

(Rs. In Lakhs)

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Income	25.43	169.54
Total Expenditure	29.07	160.95
Profit/Loss before Tax	(3.64)	8.59
Provision for taxation	NIL	2.60
Profit after Tax	(3.64)	6.00
Balance carried to Balance Sheet	<b>(3.64)</b>	<b>6.00</b>

**PERFORMANCE REVIEW:**

The Company has Incurred a loss of Rs. 3.64 lakhs before tax.

**DIVIDEND:**

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes taken place subsequent to the date of financial statements.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There were no material changes and commitments affecting Financial position of the company between 31<sup>st</sup> March and the date of Board's Report. ( i.e. 24.05.2016)

**BOARD MEETINGS:**

The Board of Directors met 4 times during the year on 26.05.2015, 11.08.2015, 30.10.2015 and 10.02.2016 and the maximum gap between any two meetings was less than four months, as stipulated under Provisions of Companies Act, 2013.

**TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

**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.

**CAPITAL OF THE COMPANY:**

Authorized Share capital and paid up share capital of the company stands at Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided in to 5,00,000 equity shares of Rs.10/- each.



**SUBSIDIARY COMPANY:**

Your Company does not have any subsidiary.

**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.

**DIRECTORS:**

During the year no directors were appointed or resigned from the office of Directorship.

**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.

**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 |





### **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.

### **AUDITORS:**

M/s. Seshachalam & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for re-appointment. Your directors propose the appointment of M/s. Seshachalam & Co., Chartered Accountants, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

### **EXTRACT OF 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 extract of annual return in MGT 9 as a part of this Annual Report (FORMAT IN ANNEXURE I)

### **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.

### **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.

### **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.

### **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

### **RELATED PARTY TRANSACTIONS:**

There are no related party transactions during the financial year 2015-16.

### **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 Industries Private Limited**

**Hari Narayan Rathi**  
Director  
(DIN: 00010968)

Place : Hyderabad  
Date : 24.05.2016



**MGT 9**

**Extract of Annual Return**

**As on the Financial Year 31.03.2016**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS :**

i	CIN	U45209TG2012PTC082486
ii	Registration Date	13.08.2012
iii	Name of the Company	B N. Rath Industries Private Limited
iv	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v	Address of the Registered office and contact details	6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082
vi	Whether listed company Yes / No	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1. Construction	-	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1. B.N. Rath Securities Private Limited 6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082	L65993TG1985PLC005838	Holding Company	100%	2(87)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total equity)

##### i) Category-wise Share Holding :

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF (as nominee u/sec.187 of the Companies Act, 2013)	-	30	30	0.006	-	30	30	0.006	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	-	4,99,970	4,99,070	99.994	-	4,99,970	4,99,970	99.994	0
Banks / FI									
Any Other....									
<b>Sub-total(A) (1)</b>	<b>0</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>100</b>	<b>0</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs									
Individuals	0	0	0	0	0	0	0	0	0
b) Other									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	00	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total share holding of Promoter(A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>100</b>	<b>0</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0



# **B.N. RATHI INDUSTRIES PRIVATE LIMITED**

U45209TG2012PTC082486

<b>2. Non Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual share holder sholding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual share holders holding nominal share capital in excess of Rs 1lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Sub-total (B)(2)									
Total Public Shareholding(B) = (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	00	0	0	0
Grand Total (A+B+C)	0	5,00,000	5,00,000	100	0	5,00,000	5,00,000	100	0

## (ii) Shareholding of promoters

Share holder's name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
1. HARI NARAYAN RATHI (as nominee u/sec.187 of the Companies Act, 2013)	0	10	10	0.002	0	10	10	0.002	0
2. CHETAN RATHI (as nominee u/sec.187 of the Companies Act, 2013)	0	10	10	0.002	0	10	10	0.002	0
3. CHANDA DEVI RATHI (as nominee u/sec.187 of the Companies Act, 2013)	0	10	10	0.002	0	10	10	0.002	0
4. B.N. RATHI SECURITIES LIMITED	0	4,99,970	4,99,970	99.994	0	4,99,970	4,99,970	99.994	0

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	NA			
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): <b>NA</b>				
At the End of the year				



**(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	NA	NA	NA	NA
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): <b>NA</b>				
At the End of the year	NA	NA	NA	NA

**(v) Shareholding of Directors and Key Managerial Personnel :**

For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	30 (as Nominee u/sec.187 of the Companies Act, 2013)	0.006 (as Nominee u/sec.187 of the Companies Act, 2013)	30	0.006
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): <b>NA</b>				
At the End of the year	30	0.006	30	0.006

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount				
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				



**VI. Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Particulars of Remuneration	Name of MD/WTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salaryunder section 17(3) Income tax Act, 1961	-	-	-	-	-
2. Stock Option	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-
4. Commission- as % of profit Others, specify...	-	-	-	-	-
5. Others, please specify	-	-	-	-	-
6. Total (A)	-	-	-	-	-
7. Ceiling as per the Act	-	-	-	-	-

**B. Remuneration to other directors :**

Particulars of Remuneration	Name of Director				Total Amount
<b>Independent Directors</b> - Fee for attending board / committee meetings -Commission -Others please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
<b>Other Non-Executive Directors</b> - Fee for attending board / committee meetings -commission -Others please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Particulars of Remuneration	Key Managerial Personnel			Total
	CEO	Company Secretary	CFO	
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission - as % of profit - others, specify...	-	-	-	-
5. Others, please specify	-	-	-	-
6. Total	-	-	-	-

**VII. Penalties / Punishment / Compounding of Offences : Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-





## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **B. N. Rathi Industries Private Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **B. N. Rathi Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2016, its profit and its cash flows for the year ended on that date.



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

1. As required by the Companies (Auditor's report) Order, 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 dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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

**T. Bharadwaj**  
Partner  
Membership No.201042

Place : Hyderabad  
Date : 24.05.2016



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

Re: B. N. Rathi Industries Private Limited ('the Company')

- (i) According to the information and explanations given to us, the Company has no fixed assets. 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, service tax and other statutory dues applicable to it. Provisions of 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, 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 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 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 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.
- (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 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 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

**T. Bharadwaj**

Partner

Membership No.201042

Place : Hyderabad

Date : 24.05.2016



**Annexure 2 to the Independent Auditor's report of even date on the standalone 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, 2016 in conjunction with our audit of the standalone 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 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, 2016, 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 financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 24, 2016 expressed an unqualified opinion.

**For SESHACHALAM & CO**  
Chartered Accountants  
Firm registration number: 003714S

Place : Hyderabad  
Date : 24.05.2016

**T. Bharadwaj**  
Partner  
Membership No.201042



## **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 Company is involved in the business of property development and sale.

### **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that effect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

## **2. Significant Accounting Policies:**

### **a) Basis of Preparation:**

The financial statements of the Company have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

### **b) 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.

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.

### **c) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases.

### **d) Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, Earnings Per Share. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.

### **e) Taxation**

Current Tax is the amount of tax payable on taxable income for the period determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a virtual certainty that such assets will be realized in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws



and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**f) Impairment of assets**

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment, if any such indication exists; the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined, based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

**g) Provisions, contingent liabilities and contingent assets**

The company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources embodying economic benefits and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation where it is not probable that an outflow of resources embodying economic benefits will be required or a reliable estimate cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

**h) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**Balance Sheet as at 31st March, 2016**

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	50,00,000	50,00,000
(b) Reserves and surplus	4	2,35,678	5,99,826
<b>2 Current liabilities</b>			
(a) Trade Payable	5	-	-
Total Outstanding dues of micro and small enterprises			
Total Outstanding dues of creditors other than micro and small enterprises		10,000	3,33,430
(b) Other current liabilities	6	17,409	3,750
(d) Short term provisions	7	-	2,59,500
<b>Total</b>		<b>52,63,087</b>	<b>61,96,506</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
Long term loans and advances	8	20,584	6,030
<b>2 Current assets</b>			
(a) Inventories	9	-	20,97,842
(b) Cash and bank balances	10	52,14,896	40,75,755
(c) Other current assets	11	27,607	16,879
<b>Total</b>		<b>52,63,087</b>	<b>61,96,506</b>

Corporate information 1  
Summary of significant accounting policies 2  
Accompanying notes forming an integral part of the financial statements 1 to 25

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

Place : Hyderabad  
Date : 24.05.2016



### Statement of Profit & Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I. Revenue from operations	12	23,00,000	1,67,86,500
II. Other income	13	2,43,164	1,67,629
<b>III. Total Revenue (I+II)</b>		<b>25,43,164</b>	<b>1,69,54,129</b>
<b>IV. Expenses</b>			
Change in inventories of finished goods	14	20,97,842	-
Construction expenses	15	17,160	1,37,83,476
Employee benefit expenses	16	1,83,100	7,01,000
Finance costs	17	26,905	26,022
Other expenses	18	5,82,305	15,84,305
<b>Total Expenses</b>		<b>29,07,312</b>	<b>1,60,94,803</b>
<b>V. Loss before tax (III-IV)</b>		<b>(3,64,148)</b>	<b>8,59,326</b>
<b>VI. Tax expense</b>			
Current tax		-	2,59,500
<b>VII. Loss for the year (V-VI)</b>		<b>(3,64,148)</b>	<b>5,99,826</b>
<b>Earnings per equity share - Rs. 10</b>			
Basic and diluted	21	(0.73)	1.20

Corporate information 1  
Summary of significant accounting policies 2  
Accompanying notes forming an integral part of the financial statements 1 to 25

As per our Report of even date.

For **SESHACHALAM & CO.**,  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

Place : Hyderabad  
Date : 24.05.2016

**Cash Flow Statement for the year ended 31st March, 2016**

(Rs. in thousands)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	(3,64,148)	8,59,326
Adjustments:		
Interest income	2,13,164	67,627
<b>Operating profit before working capital changes</b>	<b>(1,50,984)</b>	<b>9,26,953</b>
Decrease /Increase in trade payables	(3,23,430)	1,87,840
Decrease /(increase) in other current liabilities	13,659	(20,11,104)
Decrease in inventories	20,97,842	30,56,705
Increase in other current assets	(10,728)	(16,879)
Increase/(decrease) in loans and advances	(14,554)	43,25,411
<b>Cash generated from operations</b>	<b>16,11,805</b>	<b>64,68,926</b>
Direct taxes paid	2,59,500	-
<b>Net cash flow from operating activities (A)</b>	<b>13,52,305</b>	<b>64,68,926</b>
<b>B. Cash flows from investing activities</b>	<b>(2,13,164)</b>	<b>(67,627)</b>
<b>Net cash flow from investing activities (B)</b>	<b>(2,13,164)</b>	<b>(67,627)</b>
<b>C. Cash flows from financing activities</b>		
(Repayment)/Proceeds from borrowings	-	(25,18,308)
<b>Net Cash Flow From Financing activities (C )</b>	<b>-</b>	<b>(25,18,308)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>11,39,141</b>	<b>38,82,991</b>
<b>E. Cash and cash equivalents [Refer Note 2(h)]</b>		
at the beginning of the year	40,75,755	1,92,764
at the end of the year	<b>52,14,896</b>	<b>40,75,755</b>

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

Place : Hyderabad  
Date : 24.05.2016



**Notes Forming Part of the Balance Sheet as at 31st March, 2016**

**Note 3 : Share Capital**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<b>Authorised:</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>
<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>Total</b>	<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, 2016</b>				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	<b>50,00,000</b>	-	-	<b>50,00,000</b>
<b>Year ended March 31, 2015</b>				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	<b>50,00,000</b>	-	-	<b>50,00,000</b>

**(b) Shares held by holding company**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	Percentage of holding	No. of shares held	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\***

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	Percentage of holding	No. of shares held	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.



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

**Note 4 : Reserves & Surplus**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	5,99,826	-
Add: Profit for the year	(3,64,148)	5,99,826
<b>Total</b>	<b>2,35,678</b>	<b>5,99,826</b>

**Note 5 : Trade payables**

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables (Refer Note 22 & 23)	10,000	3,33,430
<b>Total</b>	<b>10,00,000</b>	<b>3,33,430</b>

**Note 6 : Other Current Liabilities**

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory remittances	16,909	3,750
Other Payables	500	-
<b>Total</b>	<b>17,409</b>	<b>3,750</b>

**Note 7 : Short term provisions**

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for taxation	-	2,59,500
<b>Total</b>	<b>-</b>	<b>2,59,500</b>

**Note 8 : Long term loans and advances**

Particulars	As at March 31, 2016	As at March 31, 2015
Tax deducted at source	20,584	6,030
<b>Total</b>	<b>20,584</b>	<b>6,030</b>

**Note 9 : Inventories**

Particulars	As at March 31, 2016	As at March 31, 2015
Finished Property	-	20,97,842
<b>Total</b>	<b>-</b>	<b>20,97,842</b>



**Note 10 : Cash and bank balances**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents:</b>		
Cash in hand	71	72
Balance with bank in current accounts	14,825	15,75,683
Balances with bank in fixed deposits account [Upto 3 months maturity from the date of acquisition]	52,00,000	25,00,000
<b>Total</b>	<b>52,14,896</b>	<b>40,75,755</b>

**Note 11 : Other Current Assets (Unsecured, considered goods)**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on bank deposits	27,607	16,879
<b>Total</b>	<b>27,607</b>	<b>16,879 -</b>

**Note 12 : Revenue from operations**

Particulars	As at March 31, 2016	As at March 31, 2015
Income from sale of flats	23,00,000	1,67,86,500
<b>Total</b>	<b>23,00,000</b>	<b>1,67,86,500</b>

**Note 13 : Other Income**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest on fixed deposit with bank	2,13,164	67,627
Miscellaneous income	30,000	1,00,002
<b>Total</b>	<b>2,43,164</b>	<b>167,629</b>

**Note 14 : Change in inventories of Finished goods**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Finished Goods</b>		
Opening Stock	20,97,842	-
<b>Less: Closing Stock</b>	-	-
<b>Total</b>	<b>20,97,842</b>	<b>-</b>

**Note 15 : Construction expenses**

Particulars	As at March 31, 2016	As at March 31, 2015
Material	-	82,83,671
Labour	-	44,80,383
Professional and consultancy	-	4,43,932
Rates and taxes	-	3,66,477
Site expenses	17,160	1,81,285
Interest	-	17,603
Insurance	-	10,125
<b>Total</b>	<b>17,160</b>	<b>1,37,83,476</b>

**Note 16 : Employee benefits expenses**

Particulars	As at March 31, 2016	As at March 31, 2015
Salaries and wages	1,83,100	7,01,000
<b>Total</b>	<b>1,83,100</b>	<b>7,01,000</b>

**Note 17 : Finance costs**

Particulars	As at March 31, 2016	As at March 31, 2015
Interest expense on delayed remittance of service tax	500	24,035
Interest expense on delayed remittance of income tax	26,076	-
Bank Charges	329	1,987
<b>Total</b>	<b>26,905</b>	<b>26,022</b>

**Note 18 : Other expenses**

Particulars	As at March 31, 2016	As at March 31, 2015
Power and fuel	2,890	16,665
Rent [Refer note 20]	71,100	1,45,640
Insurance	9,640	-
Communication	9,414	10,650
Rates and taxes	4,15,355	7,10,251
Travelling and conveyance	15,712	2,75,003
Printing and stationery	-	19,832
Legal and professional	39,000	49,673
Audit fee	-	-
Statutory audit	10,000	66,517
Tax audit	-	7,500
Miscellaneous expenses	9,194	2,82,574
<b>Total</b>	<b>5,82,305</b>	<b>15,84,305</b>



19. Related party disclosures, as required by AS-18, "Related Party Disclosure" is given below:

**a) Names of the related parties and nature of relationship:**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
Holding company	B.N. Rathi Securities Limited
Key Management Personnel (KMP):	Chanda Devi Rathi
Relative of Key Managerial Personnel	Hari Narayan Rathi - Husband of Chanda Devi Rathi Chetan Rathi - Son of Chanda Devi Rathi

**b) Transactions with related parties:**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Rent paid</b>		
- Chanda Devi Rathi	60,000	50,000
<b>Interest paid on unsecured loan</b>		
- Hari Narayan Rathi	-	8,014
<b>Unsecured loan taken</b>		
- B N Rathi Securities Limited	2,00,000	25,00,000
<b>Unsecured loan repaid</b>		
- B N Rathi Securities Limited	2,00,000	50,00,000

**20. Lease obligation as Lessee (Lease Payments)**

Lease payments made under cancellable operating leases have been recognized as an expense in the Statement of Profit and Loss.

**21. Earnings per share:**

<b>Particulars</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Profit after tax	(3,64,148)	5,99,826
<b>Basic and diluted</b>	<b>(0.73)</b>	<b>1.20</b>
-		
Weighted average number of shares outstanding	5,00,000	5,00,000
<b>Face value per share (Rs.)</b>	<b>10</b>	<b>10</b>

22. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2016 and such balances are subject to confirmation and reconciliation.

23. The principal amount remaining unpaid as at March 31, 2016 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is Rs. Nil.

In respect of transactions with "Suppliers" who constitute Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 disclosures relating to interest paid/payable are not applicable.

24. The Company's operations predominantly consist only of Property Development. Hence, there are no reportable segments under Accounting Standard – 17 "Segment Reporting" (AS-17).

During the year, the company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. There are no other reportable segments.





25. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date.

For **SESHACHALAM & CO.,**  
Chartered Accountants  
Firm Registration Number : 003714S

For and on behalf of the Board

**T. Bharadwaj**  
Partner  
Membership No. 201042

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

Place : Hyderabad  
Date : 24.05.2016



Form No. MGT-11  
**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65993TG1985PLC005838  
Name of the company : B.N. Rathi Securities Limited  
Registered office : 6-3-652, IV Floor, Kautilya, Amrutha Estates,  
Somajiguda, Hyderabad, Telangana - 500082

Name of the member(s) :  
Registered Address :  
E-mail Id :  
Folio No./Client Id :  
DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name :  
Address :  
E-mail Id :  
Signature : ....., or failing him
2. Name :  
Address :  
E-mail Id :  
Signature : ....., or failing him
3. Name :  
Address :  
E-mail Id :  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 6<sup>th</sup> day of August, 2016 at 10.00 A.M. at Hotel Mercure Hyderabad, KCP, 6-3-551, Somajiguda, Hyderabad - 500082 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. Approval of financial statements for the year ended 31.03.2016.
2. Declaration of Dividend for the financial year 31.03.2016.
3. Appointment of Mr. Chetan Rathi as Director who retires by rotation.
4. Appointment of statutory auditors and fixation of their remuneration.
5. Appointment of Mr. Hari Narayan Rathi as a Managing Director.

Signed this ..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**B.N. RATHI SECURITIES LIMITED**  
6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad - 500 082.



### **ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the members of the company to be held on Saturday, 6<sup>th</sup> day of August, 2016 at 10.00 A.M. at Hotel Mercure Hyderabad, KCP, 6-3-551, Somajiguda, Hyderabad - 500082 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No. / Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

**B.N. RATHI SECURITIES LIMITED**

6-3-652, IVth Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad - 500 082.

