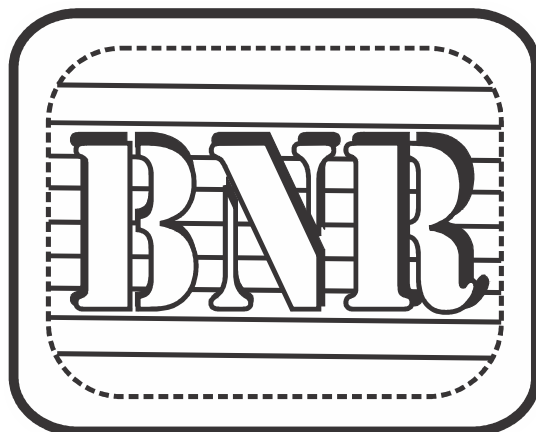


B.N. Rath Securities Limited



29th Annual Report  
2014-2015



## **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

### **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 COMMITTEE:**

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 29<sup>th</sup> Annual General Meeting of the Shareholders of M/s B.N. Rathi Securities Limited will be held on Saturday, 18<sup>th</sup> day of July, 2015 at 10.00 A.M. at Hotel Katriya, Raj Bhavan Road, Somajiguda, Hyderabad - 500082 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015, 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 2015.
3. To appoint a director in place of Mr. Hari Narayan Rathi [DIN: 00010968] 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:**

##### **5. APPOINTMENT OF MRS.SHANTI SREE BOLLENI AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mrs. Shanti Sree Bolleni (DIN 07092258), who was appointed 'Additional Director' in the Board of the Company on 12.02.2015 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Shanti Sree Bolleni as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to 31<sup>st</sup> March, 2020.

##### **6. RE-APPOINTMENT OF MR. CHETAN RATHI (DIN 00536441) AS A WHOLE-TIME 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 the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Chetan Rathi (DIN 00536441) as Whole-time Director cum CFO(Chief Financial Officer) of the Company, for a period of 3 years commencing from 01.04.2015 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.”



**“RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr.Chetan Rathi, Whole-time Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution in terms of Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER** that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

## **7. TO ISSUE SHARES ON RIGHTS BASIS:**

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

**“RESOLVED THAT** subject to the provisions of section 62 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the provisions in the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with BSE Limited, the Rules, Regulations, Guidelines issued by Securities and Exchange Board of India (SEBI), including SEBI(ICDR) Regulations as amended, the Reserve Bank of India (RBI), the Foreign Investment Promotion Board (FIPB) under the Department of Economic Affairs, Ministry of Finance, Government of India, the provisions of Foreign Exchange Management Act and/or any other competent authorities and subject to such conditions and modifications as may be prescribed by any of them while granting any other approval(s), permission(s), consent(s) and sanction(s) and which may agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee of directors duly constituted by the Board of Directors or any committee which the board of directors may hereafter constitute to exercise one or more of its powers including the powers conferred by this resolution), consent of the company be and is hereby accorded to the Board to create, offer, issue allot such number Equity shares of the face value of Rs. 10 (Rupees ten only) each for cash on a Rights basis at such price to the determined by the board and in such proportion as may be decided by the board in consultation with the merchant bankers for an amount not exceeding Rs. 5 crores (Rupees five crores ) to all the equity shareholders of the company whose names appear as members on the register of members and as Beneficial Owners in the records of the Depositories as on the record date as may be fixed by the Board in consultation with BSE Limited for such purpose, in one or more tranches and on such terms and conditions and at such time or times as may be decided by the Board at its discretion.

**RESOLVED FURTHER THAT** the equity shares to be offered on a rights basis shall rank pari passu in all respects with the existing shares of the company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue, in consultation with and subject to approvals by the SEBI and BSE Limited and subject to the approval, if necessary, of the other concerned authority, appropriate letter of offer as required under the applicable provisions of law, containing terms and conditions of the issue as the Board may at its absolute discretion think fit and the Board be and is hereby expressly authorized and empowered to accept such modifications of SEBI, Stock Exchanges or any other concerned authority may stipulate in that behalf and also, at its discretion to amend, modify, vary or alter all or any of the issue, including the right to increase, decrease, recalculate the number of equity shares to be created, offered and issued.

**RESOLVED FURTHER THAT** the unsubscribed portion, if any, of the proposed rights issue may be disposed off by the Board, in such manner, as it may deem most beneficial to the Company and the



Board be and is hereby authorized to issue and allot such shares to any person whether he/she/it be the existing member or not as the Board may deem fit at its absolute discretion.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such action it may deem most beneficial to the Company in disposing of any shares arising out of fractions involved in the offer of the said shares and to allot the unsubscribed portion to such persons who may be applying for any additional shares.

**RESOLVED FURTHER THAT** the Equity shares shall be listed with BSE Limited, where the existing equity shares of the Company are listed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine the other terms and conditions of the offer including but not limiting to determining the type, form and manner of the issue, its terms including the eligibility or otherwise of renounces to apply for additional shares, rights period, appointment of intermediaries like Merchant Bankers, Registrars/Banker, Legal or other Advisors, and all other agencies or intermediaries and to enter into or execute such agreements/arrangement/Memorandum of Understanding/ documents with any authorities/agencies as the Board may in its sole discretion deem fit and proper and to all such acts, deeds, matters or things as it may deem necessary for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of the Board or any one or more Directors of the company."

#### **8. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY**

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

"**RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the new draft Articles as contained in the Articles of Association submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

Place : Hyderabad  
Date : 27/05/2015

**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 Registered 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 11.07.2015 to 18.07.2015 (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 15.07.2015 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 14.07.2015.

The dividend on Equity Shares, if declared at the Annual General Meeting, shall be paid on or after 18.07.2015.

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. Brief Resume of the Directors:

**Mr. Laxminiwas Sharma** - Chairman

A graduate in Commerce and Chartered Accountant. He is the Chairman of B.N.Rathi Securities Limited. He was also President of Federation of A.P.Chamber of Commerce & Industry. He also holds the Director's position in Hyderabad Computers (P) Limited, Coromandal Cement Limited, Kamini Hospitals Ltd., Rayal Seema Jute Mills Ltd., Senior Partner of Laxminiwas & Jain, Chartered Accountants, Auditor for several private sector undertakings and public sector undertakings.

**Mr. Hari Narayan Rathi** - Managing Director

Graduate in Science. He was Member of (Erstwhile) The Hyderabad Stock Exchange Ltd. (HSE) from 1977 (Now known as Hyderabad Securities and Enterprises Limited). Served as Director of HSE from 1980 to 1997. Served as Vice President of HSE in the year 1983-84 & 1985-86. Served as President of HSE twice – 1988-1990 & 1994-1996. Active Member of Rajasthani Graduates Association with 1700 Members in and around the city. Was unanimously elected as President of Rajasthani Graduates Association in the year 1998-1999. Trustee of Mahesh Hospital (Charitable Hospital). Director Mahesh Vidya Bhavan Ltd. He was also Vice President – Mahesh foundation. Executive Member of All India National Stock Exchange Association Hyderabad Chapters. With vast experience in Securities Market, has taken a charge as Managing Director M/s B N Rathi Securities Ltd. Corporate Company which is fetching of Profit. And acquired Membership with MCX & NCDEX and setup M/s. B N Rathi Comtrade Pvt. Ltd. With great knowledge which is fetching good profits.

**Mr. Chetan Rath - Executive Director and CFO**

MBA Finance Graduate. Worked with Piramal Group of Companies for one year at Mumbai. 1998-1999. Played a vital role in setting up of Medical Transcription Business with B N R Udyog Ltd., and had hands on experience in managing the entire process of Transcription. 1999-2007. Having 8 years working experience in the Primary & Secondary Market. - 2007 onwards. Managing the Financial Division of M/s B N Rath Securities Ltd. On day to day basis and also very active to form the systems and to implement the same on a daily basis. He has also played an active role for the automation of Securities Payin & Payout of the Company. He is a multi faceted personality which added to start a Subsidiary Company M/s B N Rath Industries Private Limited a 100% Subsidiary of BNRSL.

**Mr. K. Harish Chandra Prasad - Director**

An eminent Master of Business Administration and M.S. He is the Director of B. N. Rath Securities Limited. He is the Managing Director in Lakshmi Finance & Industrial Corporation Limited. He is also Director in Healthy Investments Ltd., Andhra Printers Ltd., KLN Holdings Pvt. Ltd., L-Pack Polymers Ltd., A. P. State Fin. Corpn. Ltd., Lakshmi Films Division, and Sri Rukmini Krishna Boiled Rice and Oil Mills.

**Mrs. B Shanti Sree - Director**

Qualified as Chartered Accountant in the year 1984. She has been in practice since the same year and started her own firm, M/s Shanit & Co., which later merged with M/s. Tukaram & Co., Chartered Accountants, in 1991. Presently she is a Senior Partner in M/s. Tukaram & Co., Chartered Accountants, Hyderabad. She became fellow Member of the ICAI in 1989. She also served "The Andhra Pradesh Tax Bar Association" as council Member from 2008 to 2012 and later as President for the year 2010-11. She is an External Member, Board of Studies, Department of Commerce, Osmania University College for Women, Koti, Hyderabad. She is also associated with many charitable trust and societies as auditor and advisor.

17. Electronic copy of the Annual Report for 2014-2015 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 2014-2015 is being sent in the permitted mode.
18. Members may also note that the Notice of the 29<sup>th</sup> Annual General Meeting and the Annual Report for 2014-2015 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).
19. 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 Tuesday, 14<sup>th</sup> July, 2015, 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 Monday, 13<sup>th</sup> July 2015 and will end at 5.00 p.m. on Tuesday, 14<sup>th</sup> July, 2015. 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 for remote e-voting**

- I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:
  - (a) In case of Members receiving an e-mail from Karvy:
    - (i) Launch an internet browser and open <https://evoting.karvy.com>
    - (ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID- Client ID will be your User 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 the above details click on - Login.
    - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to 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. You need to login again with the new credentials.
    - (v) On successful login, the system will prompt you to select the E-Voting Event
    - (vi) Select the EVENT of **B N Rathi Securities Limited** and click on - Submit.
    - (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
    - (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
    - (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
    - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [scrutinizer@snaco.net](mailto:scrutinizer@snaco.net). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
  - (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip



- (I) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVEN

(E-Voting Event Number)	USER ID	PASSWORD
—	—	—

Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
  - III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
  - IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Saturday, 11<sup>th</sup> July, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
  - V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Monday, 13<sup>th</sup> July, 2015 and will end at 5.00 p.m. on Tuesday, 14<sup>th</sup> July, 2015. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
  - VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
  - VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  - VIII. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
 

Example for NSDL : MYEPWD <SPACE> IN12345612345678  
 Example for CDSL : MYEPWD <SPACE> 1402345612345678  
 Example for Physical : MYEPWD <SPACE> XXX1234567
  - b. If e-mail 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.
  - c. Member may call Karvy's toll free number 1-800-3454-001
  - d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)
- IX. 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 29th 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

20. 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 2014-15, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2007-2008 to the IEPF on or before 30<sup>th</sup> Oct, 2015. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF
21. 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 (record date) of 15.07.2015.
22. 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.
23. 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.
24. 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. Rath Securities Limited

Place : Hyderabad  
Date : 27/05/2015

**Laxminiwas Sharma**  
Chairman



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

**Item No. 5:**

Mrs. Shanti Sree Bolleni was appointed as Additional Director on 12.02.2015, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Mrs. Shanti Sree Bolleni for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. Shanti Sree Bolleni as 'Independent Director' for a term up to 31.03.2020, and pass the resolution set out at Item No. 5. The appointment of Mrs. Shanti Sree Bolleni is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mrs. Shanti Sree Bolleni has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that her continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board Mrs. Shanti Sree Bolleni fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and she is independent of the Management.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mrs. Shanti Sree Bolleni is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 5 for approval of the Members.

**ITEM NO. 6:**

The Board of Directors at their meeting held on 23/03/2015 have, subject to the approval of the Shareholders, re-appointed Mr. Chetan Rathi (DIN 00536441) as Whole-time Director cum CFO (Chief Financial Officer) of the Company with effect from 01.04.2015 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 Whole-time Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 23/03/2015 approved the remuneration, terms and conditions of the re-appointment of Mr. Chetan Rathi (DIN 00536441), subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:



**1. Remuneration:**

- A) Salary : in the scale of Rs.80,000 - 15,000 - 1,10,000 (Per Month)
- B) Free use of Company's car with driver.
- C) Free Telephone facility at residence.
- D) Encashment of Leave as per the rules of the Company
- E) Club fee subject to maximum of two clubs. This will not include admission and life membership fee.
- F) 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.
- G) 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
- H) Leave Travel Concession for self & family once in a year as per rules of the company.

**2. Period of appointment:** Three years beginning from 01.04.2015 and ending on 31.03.2018.

3. The appointment may be terminated by either party by giving one months' notice in writing of such termination or as may be mutually agreed between the parties.

4. Mr. Chetan Rathi shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

**5. Mr. Chetan Rathi, .MBA Finance Graduate**

- Worked with Piramal Group of Companies for one year at Mumbai. 1998-1999
- Played a vital role in setting up of Medical Transcription Business with B N R Udyog Ltd., and had hands on experience in managing the entire process of Transcription. 1999-2007
- Having 8 years working experience in the Primary & Secondary Market. - 2007 onwards.
- Managing the Financial Division of M/s B N Rathi Securities Ltd. On day to day basis and also very active to form the systems and to implement the same on a daily basis.

Having regard to the knowledge, experience of Mr. Chetan Rathi (DIN No. 00536441) and the responsibilities shouldered on him, considering the recommendations of Nomination & Remuneration committee, the Board accorded its approval at the meeting held on 23rd March, 2015 subject to the approval of shareholders of the Company, for revision of the salary payable to Mr. Chetan Rathi (DIN No. 00536441) within the maximum limit of managerial remuneration (without the approval of the Central Government) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013 till the expiry of his respective tenure. The Nomination & Remuneration committee had approved the remuneration payable to Mr. Chetan Rathi (DIN No. 00536441) by passing the necessary resolution in its meeting held on 23rd March, 2015 in terms of Schedule V to the Companies Act, 2013.

It is therefore, proposed that the remuneration as mentioned in the resolution to Mr. Chetan Rathi (DIN



No. 00536441) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013, be approved by the shareholders of the company at the forthcoming Annual General Meeting, in modification to the earlier resolutions passed by the shareholders of the Company in this regard.

Hence, the Board recommends the resolution for your approval.

Except Mr. Chetan Rathi and Mr. Hari Narayan Rathi, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**ITEM NO. 7:**

The Company proposes to raise funds upto Rs.5 crores by way of issue of equity shares with premium on a right basis to meet its working capital requirement and for further expansion of business.

Section 62 of the Companies Act, 2013 provide inter-alia that where it is proposed to increase the subscribed share capital of the company by allotment of further shares, then such further shares shall be offered to the persons, who at the date of offer are holders of equity shares of the Company, in proportion, as nearly as circumstances admit to the paid up capital on those shares as of that date unless the shareholders decide otherwise. The Listing Agreement(s) executed by the company with BSE Limited also provide that company shall issue or offer in the first instance all securities to the existing shareholders of the company unless the shareholders decide otherwise.

The Board of directors have therefore proposed to offer further shares, to the existing holders of Equity Shares of the Company whose names appear in the Register of Members of the company on a date (record date) to be fixed hereafter by the directors of the Company to augment financial resources for funding the capital expenditure and/or working capital requirements in the manner and upon the terms and conditions set out in the resolution with a right to renounce. The right to decide on various terms including timing, pricing, ratio, terms of payment and other terms including eligibility or otherwise of renounces to apply for additional shares is being left to the discretion of the Board of Directors who would take decisions as they deem fit in the best interest of the Company.

The special resolution at serial no.7 of the notice seeks the approval of the members authorizing the Board to make rights issue of equity shares and to deal with any matter connected with the said rights issue of equity shares.

The Board of Directors recommend the special resolution for approval of the members.

None of the directors of the company except Mr. Hari Narayan Rathi, Mr. Chetan Rathi and key managerial personnel may be deemed to be concerned or interested in the special resolution to the extent to which they will have the right to subscribe to the further new equity shares in proportion to their respective shareholdings held by them.

**ITEM NO. 8:**

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the Companies Act, 2013. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules thereunder.



**Salient aspects of the proposed amended Articles:**

Under the proposed amended Articles, salient aspects of sections of Table-F of Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares have been adopted. As mentioned in the previous para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules thereunder coming into force have been duly carried out.

The resolution as set out in item no. 8 has been recommended by the Board of Directors for approval of the Members by special resolution.

The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday from the date here upto July 18, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 8 of the Notice.

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

Place : Hyderabad  
Date : 27/05/2015

**Laxminiwas Sharma**  
Chairman



## **BOARD'S REPORT**

### **To the Members,**

The Directors have pleasure in presenting before you the 29<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

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

The performance during the period ended 31st March, 2015 has been as under:

(Rs. In Lakhs)

<b>Particular</b>	<b>2014-2015</b>	<b>2013-2014</b>
Total Income	1400.28	828.63
Total Expenditure	1184.13	706.32
Profit Before Tax	216.14	122.31
Provision for Tax	69.47	31.64
Profit after Tax	146.67	90.67
Transfer to General Reserves	3.66	2.26
Profit available for appropriation	143.01	88.41
Provision for Proposed Dividend	37.80	30.24
Provision for Corporate Tax	7.69	5.14
Balance Carried to Balance Sheet	97.52	53.03

#### **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. 27/05/2015)

#### **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. DIVIDEND:**

Your Directors are pleased to recommend a Dividend of Rs. 1.50 per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2014-15. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 45.49 lakhs, for which necessary provision has been made in the accounts.

#### **5. BOARD MEETINGS:**

The Board of Directors duly met 6 (six) times on 27.05.2014, 19.07.2014, 08.08.2014, 10.11.2014, 12.02.2015 and 23.03.2015 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.

#### **6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year, Mrs. Shanti Sree Bolleni was appointed as Additional Director. Now the Board proposes to appoint her as Independent Director.

Shri. T. S. Suryanarayana Murthy, the Independent Director passed away during the year. The Board placed on record its sincere appreciation for the valuable services rendered by him during his tenure as Director of the Company.





The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint existing additional director in the independent category, as Independent Director on the Board of the Company for a term up to five consecutive years. A brief profile of proposed Independent Director, including nature of her expertise, is provided in this Annual Report.

Notice has been received from a Member proposing candidature of the Director namely Mrs. Shanti Sree Bolleni for the office of Independent Director of the Company. In the opinion of the Board, she fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Director of the Company.

Mr. Chetan Rathi was appointed as Chief Financial Officer (CFO) of the company with effect from 27.05.2014.

Mr. Chetan Rathi was re-appointed as a Whole-time director with effect from 01.04.2015.

Details of re-appointment /appointment of the director:

Name of the Director	Mrs. Shanti Sree Bolleni	Mr. Chetan Rathi	Mr. Hari Narayan Rathi
Date of Birth	17.05.1962	08.03.1976	22/11/1953
Date of Appointment	12.02.2015	01.04.2015	16/11/1991
Qualifications	FCA	MBA	Graduate in Science
No. of Shares held in the Company	Nil	174267	785745
Directorships held in other companies (excluding private limited and foreign companies)	Nil	Nil	MAHESH VIDYA BHAVAN LIMITED
Positions held in mandatory committees of other companies	Nil	Nil	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 Clause 49(II)(B) of the Equity Listing Agreement.



### 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 NR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as 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:**

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 Office; 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 NR 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.

**7. 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.

**8. 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 12.07.2014 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 Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2014-2015, (4) four meetings of the Audit Committee were held on the 27.05.2014, 08.08.2014, 10.11.2014 and 12.02.2015.



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 Meetings
Laxminiwas Sharma	Chairman	NED(1)	4	4
Harishchandra Prasad	Member	NED(1)	4	4
T.S.Suryanarayana Murthy@	Member	NED(1)	4	3
Shanti Sree Bolleni*	Member	NED(1)	4	Appt .e.f. from 12.02.2015

\* Appointed w.e.f. 12.02.2015

@ Expired on 27/01/2015

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

**ED** : Executive 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
Laxminiwas Sharma	Chairman	NED(1)	1	1
Harishchandra Prasad	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 2014-2015 are given below:

Chetan Rathi (Whole time director) has drawn a remuneration of Rs. 7,80,000/- for the year ended 31.03.2015 and Hari Narayan Rathi (Managing Director) has drawn a remuneration of Rs. 14,40,000/- for the year ended 31.03.2015.

None of the Director 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 Rathi	Member	ED

\* Appointed w.e.f. 12.02.2015

**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 Rathi	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.

**9. 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.

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

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby 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.

**11. 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.

**12. 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 2007-2008 will expire on 30th October, 2015 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

**13. 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.





**14. 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)**

**15. 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.

**16. INTERNAL AUDIT:**

M/s. T.R.Chadha & Co., Chartered Accountants, Hyderabad are the internal Auditors of the Company.

**17. 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.

**18. 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, 2015 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.

**19. 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

**20. 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.

**21. 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.

**22. 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.

**23. INSURANCE:**

The properties and assets of your Company are adequately insured.

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

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

**25. 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.

**26. 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.

**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. 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.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.bnrsecurities.com](http://www.bnrsecurities.com).

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 23/03/2015 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.



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, a remuneration of Rs. 7,80,000/- is being paid to Sri. Chetan Rathi, whole time director of the Company and a remuneration of Rs. 14,40,000/- is being paid to Mr. Hari Narayan Rathi, Managing Director of the Company.

**32. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to Bombay Stock Exchange where the Company's Shares are listed.

**33. 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.

**34. 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.

**35. 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

**36. 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 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



**37. 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 like 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**

B.N. Rathi Securities Limited

Place : Hyderabad

Date : 27/05/2015

**Laxminiwas Sharma**

Chairman



**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT  
PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

The shareholders

I, Hari Narayan Rath, 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  
**B.N. Rath Securities Limited**

Place : Hyderabad  
Date : 27.05.2015

**Hari Narayan Rath**  
Chairman



**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	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	10,68,583	0	10,68,583	42.40	11,54,477	0	11,54,477	45.81	3.41
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>10,68,583</b>	<b>0</b>	<b>10,68,583</b>	<b>42.40</b>	<b>11,54,477</b>	<b>0</b>	<b>11,54,477</b>	<b>45.81</b>	<b>3.41</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) AnyOther....	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>1068583</b>	<b>0</b>	<b>1068583</b>	<b>42.40</b>	<b>1154477</b>	<b>0</b>	<b>1154477</b>	<b>45.81</b>	<b>3.41</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) ForeignVenture 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	208280	1550	209830	8.33	189524	1550	191074	7.58	0.75
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 up to Rs. 1 lakh	319575	365428	685003	27.18	497035	362503	859538	34.11	6.93
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	449797	101489	551286	21.88	249674	45850	296524	11.77	10.11
c) Others (specify)									
1. NRI	4972	0	4972	0.20	3756	0	3756	0.15	0.05
2 .Clearing Members	326	0	326	0.01	14631	0	14631	0.58	0.57
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)	982950	468467	1451417	57.60	954620	409903	1365523	54.19	3.41
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2051533	468467	2520000	100	2109097	409903	2520000	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	699851	Nil	699851	27.77	785745	Nil	785745	31.18	3.41
2. Chetan Rathi	174267	Nil	174267	6.92	174267	Nil	174267	6.92	-
3. Chanda Devi Rathi	131203	Nil	131203	5.21	131203	Nil	131203	5.21	-
4. Nisha Rathi	63262	Nil	63262	2.51	63262	Nil	63262	2.51	-

**(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	
<b>Hari Narayan Rathi</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	1068583	42.41	115447	45.82
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):	Dated 28.07.2014			
	Due to transfer of shares			
At the End of the year	1154477	45.82		



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

L65993TG1985PLC005838

## (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				
1 Sandeep Stocks Pvt. Ltd.	100000	3.97	47268	1.875714
2 Veena G Mundra C/o. Dr. G P Mundra	100000	3.97	30000	1.1970476
3 Basanti Devi Rathi	115894	4.60	30000	1.190476
4 Nirman Share Brokers Private Limited	79156	3.14	53540	2.124603
5 Mehul P Raimagiya	54639	2.17	-	-
6 Preeti Biyani	50000	1.98	38400	1.523810
7 Neeta Rathi	46850	1.86	46850	1.859127
8 Muktheswar Duggi	25000	0.99	-	-
9 Janardhana Rao Duggi	25000	0.99	-	-
10 Himabindu Duggi	25000	0.99	-	-
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>NIL</b>				
At the End of the year				
Vallab Dass Ramani	-	-	54639	2.168214
Ch Ravi Kumar	-	-	30306	1.202619 %
Pushpanjali Golapudi	-	-	25000	0.992063%
Anuradha Pasari	-	-	22178	0.880079%

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

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>Hari Narayan Rathi</b>				
At the beginning of the year	<b>699851</b>	27.77	85894	3.41
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):	Transferred from Basanti Devi Rathi his mother dated: 28/07/2014			
At the End of the year	785745	31.18	785745	31.18



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>Chetan Rathi</b>				
At the beginning of the year	174267	6.92	-	-
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>NIL</b>				
At the End of the year	174267	6.92	-	-

#### 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 :

(IN. RS)

Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
	Hari Narayan Rathi MD	Chetan Rathi WTD/CFO		
1. Gross salary	14,40,000	7,80,000	-	22,20,000
(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)	-	-		22,20,000
7. Ceiling as per the Act				

**B. Remuneration to other directors :**

(IN. RS)

Particulars of Remuneration	Name of Director				Total Amount
	Mr. Laxminivas Sharma	Mr. Harish-chandra Prasad	Mr. Shanthi Sree Bolleni	Mr. T.S. Suryanarayan Murthy*	
<b>Independent Directors</b> - Fee for attending board / committee meetings -Commission -Others please specify	21,600	21,600	7,200	10,800	61,200
Total (1)	21,600	21,600	7,200	10,800	61,200
<b>Other Non-Executive Directors</b> - Fee for attending board / committee meetings -commission -Others please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	21,600	21,600	7,200	10,800	61,200
Total Managerial Remuneration					
Overall Ceiling as per the Act					

**\* date of resignation due to death.**

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

(IN. RS)

Particulars of Remuneration	Key Managerial Personnel			Total
	CEO	Company Secretary (C. Sharda Shastry)	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	-	15,000* 10 months = 1,50,000	-	1,50,000
2. Stock Option				
3. Sweat Equity				
4. Commission- as % of profit - others, specify...				
5. Others, please specify				
6. Total		1,50,000		1,50,000/-



**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	-	-	-	-	-



**ANNEXURE II**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s B.N. Rath Securities Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date : 27.05.2015  
Place : Hyderabad

**Shanti Sree Bolleni**  
(Independent director)



**ANNEXURE -II**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s B.N Rathi Securities Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date : 27.05.2015  
Place : Hyderabad

**Laxminiwas Sharma**  
Independent director)



## **ANNEXURE II**

### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

M/s B.N. Rathi Securities Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) The statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date : 27.05.2015

Place : Hyderabad

**K Harishchandra Prasad**  
(Independent 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, 2015

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"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, 2014 and ended 31<sup>st</sup> March, 2015, 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, 2015, 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. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report except disclosures in terms of SEBI Takeover Regulations & Insider Trading Regulations :
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - 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;
  - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India under the provisions of Companies Act, 1956 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:
  - (ii) External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - (iii) Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - (iv) Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - (v) 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 is regular in deducting and paying TDS Under the income tax Act.
  - (ii) The Company has paid PF and ESI to the respective authorities
  - (iii) The Company also has collected stamp duty and service tax on behalf of the client and paid to the respective authorities.



- (iv) 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.

#### **Annexure A**

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

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

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

For S.S. Reddy & Associates

Date : 27.05.2015  
Place: Hyderabad

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



## **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, 2015, the Statement of Profit and Loss, the 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 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 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 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 thereunder. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Hyderabad  
Date : 27.05.2015

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



**Annexure referred to in paragraph 1 of our report of even date**

**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.
- (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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of the clause 3(iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase fixed assets and for rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in business of sales of goods. Therefore, in our opinion the provisions of clause 3(vi) of the Companies (Auditors' Report) Order, 2015 is not applicable to the Company and hence not commented upon.
- (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 amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of loans taken from banks.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions;



**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

- (xi) The term loans were applied for the purpose for which the loans were obtained;
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For SESHACHALAM & CO**

Chartered Accountants

Firm registration number: 003714S

**T. Bharadwaj**

Partner

Membership No.201042

Place : Hyderabad

Date : 27.05.2015



## **Corporate information and Summary of significant accounting policies**

### **1. Corporate Information:**

B.N. Rath 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) Change in accounting policy**

##### **Depreciation on fixed assets**

The Schedule XIV to the Companies Act, 1956, prescribed requirements relating to depreciation of fixed assets till the year ended March 31, 2014. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

##### **Useful lives/ depreciation rates**

Depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate





of the useful lives and residual values of fixed assets, though these, in certain cases are different from, the lives prescribed under Schedule II.

The Company has used transitional provisions of Schedule II to adjust the impact of useful lives/ depreciation rates arising on its first application. If a fixed asset has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other fixed assets, i.e., fixed assets whose remaining useful life is not Nil on April 01, 2014, is depreciated over their remaining useful life. The Company has adjusted Rs. 3,13,598 (net of deferred tax of Rs. 1,50,613) with the opening balances of retained earnings and i.e. Surplus in the statement of profit and loss. Had the Company continued to follow the earlier useful life, the depreciation expense for the year would have been higher by Rs. 4,64,211, profit before tax would have been lower by Rs.4,64,211 and the impact on net block of fixed assets would have been immaterial.

#### **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. 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.

#### **c) 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.

#### **d) 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.

#### **e) 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.

**f) 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.

**g) 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.

**h) 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.

**i) 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.

**j) 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.

**k) 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.

**l) 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.


**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Balance Sheet as at 31st March, 2015**

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	2,52,00,000	2,52,00,000
(b) Reserves and Surplus	4	7,13,39,033	6,14,77,240
<b>(2) Non- Current Liabilities</b>			
(a) Long-Term Borrowings	5	-	5,00,238
(b) Long-Term Provisions	6	18,10,966	-
<b>(3) Current Liabilities</b>			
(a) Short-term borrowing	7	1,00,00,000	-
(b) Trade Payables	8	16,35,37,988	11,78,53,470
(c) Other Current Liabilities	9	64,36,746	50,65,374
(d) Short-Term Provisions	10	1,23,14,122	71,35,792
<b>Total :</b>		<b>29,06,38,855</b>	<b>21,72,32,115</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets	11A	18,72,065	37,60,749
(ii) Intangible Assets	11B	45,873	4,80,236
(b) Non-Current Investments	12	1,50,00,000	1,49,99,500
(c) Deferred Tax Assets	13	21,57,293	6,30,248
(d) Long Term Loans and Advances	14	3,17,33,933	1,52,39,056
(e) Other Non-Current Assets	15	18,00,000	-
<b>(2) Current Assets</b>			
(a) Stock-In-Trade	16	24,34,524	18,40,058
(b) Trade Receivables	17	1,73,69,245	1,82,00,592
(c) Cash and bank balances	18	13,23,00,534	6,83,30,047
(d) Short-Term Loans and Advances	19	8,10,52,529	8,98,66,850
(e) Other Current Assets	20	48,72,859	38,84,779
<b>Total :</b>		<b>29,06,38,855</b>	<b>21,72,32,115</b>

Corporate information summary of significant accounting policies

1&amp;2

Accompanying notes forming an integral part of the financial statements

1 to 35

As per our Report of even date.

For **SESHACHALAM & CO.,**

For and on behalf of the Board

Chartered Accountants

Firm Registration Number : 003714S

**T. Bharadwaj**
**LAXMINIWAS SHARMA**
**HARINARAYAN RATHI**

Partner

Chairman

Managing Director

Membership No. 201042

Place : Hyderabad

**CHETAN RATHI**
**SABITHA REDDY**
**M.V. RAO**

Date : 27.05.2015

Executive Director-cum-CFO

Company Secretary

Compliance Officer

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Statement of Profit & Loss for the year ended 31st March, 2015**

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from operations (net)	21	12,02,03,917	6,92,03,661
Other Income	22	1,98,24,753	1,36,59,506
<b>I. Total Revenue</b>		<b>14,00,28,670</b>	<b>8,28,63,167</b>
<b>Expenses:</b>			
Employee Benefit Expenses	23	1,46,67,784	1,29,33,594
Finance Costs	24	38,29,538	18,59,560
Depreciation and Amortization Expenses	11	33,56,875	14,89,856
Other Expenses	25	2,61,87,881	1,83,51,620
Sharing of Brokerage		7,09,31,808	3,59,97,532
<b>II. Total Expenses:</b>		<b>11,89,73,886</b>	<b>7,06,32,162</b>
<b>III. Profit before tax (I - II)</b>		<b>2,10,54,784</b>	<b>1,22,31,005</b>
<b>IV. Tax Expense :</b>			
Current tax expense			
- for current year		76,71,864	35,97,863
- relating to profit year		34,428	-
Deferred tax		(13,76,431)	4,33,513)
<b>V. Profit for the year</b>		<b>1,47,24,923</b>	<b>90,66,655</b>
<b>VI. Earning per equity share</b>			
Basic and diluted	30	5.84	3.60
Corporate information summary of significant accounting policies	1&2		
Accompanying notes forming an integral part of the financial statements	1 to 35		

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 : 27.05.2015

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

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Cash Flow Statement for the year ended 31st March, 2015**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,10,54,784	1,22,31,005
Adjustments:		
Depreciation and amortisation	33,56,875	14,89,856
Interest expense	34,99,362	16,22,268
Loss on sale of fixed assets	-	1,02,870
Profit on sale of fixed assets	-	(2,08,748)
Dividend income	(2,55,000)	(15,54,769)
Interest income	(1,65,69,056)	(1,00,58,387)
<b>Cash generated before working capital changes</b>	<b>1,10,86,965</b>	<b>36,24,095</b>
Increase in trade payables	4,56,50,089	60,811,403
Increase in other current liabilities	11,08,186	376,724
Increase in long term provisions	18,10,966	-
Increase in short term provisions (gratuity)	92,726	-
Increase in trade inventories	(5,94,466)	(7,62,383)
Decrease in trade receivables	8,31,347	1,78,53,073
Increase in loans and advances	(56,85,679)	(4,10,56,184)
<b>Cash generated from operations</b>	<b>5,43,00,134</b>	<b>4,08,46,728</b>
Direct taxes paid	(73,92,742)	(26,90,847)
<b>Net cash flow from operating activities (A)</b>	<b>4,69,07,392</b>	<b>3,81,55,881</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets	(14,98,039)	(20,54,664)
Acquisition of equity shares in subsidiary companies	(500)	(48,50,000)
Proceeds from sale of fixed assets	-	4,49,950
Dividend received	2,55,000	15,54,769
Interest received	1,55,80,976	84,39,308
<b>Net cash flow from investing activities (B)</b>	<b>1,43,37,437</b>	<b>35,39,363</b>
<b>C. Cash flows from financing activities</b>		
Repayment of long term borrowings	(2,37,053)	(3,31,13,216)
Proceeds /(repayment) from working capital borrowings	1,00,00,000	(25,00,000)
Dividends paid on equity shares	(30,24,000)	25,20,000
Tax on equity dividend paid	(5,13,929)	(4,28,274)
Interest paid	(34,99,362)	(16,22,268)
<b>Net Cash Flow From Financing activities (C)</b>	<b>27,25,656</b>	<b>4,01,83,758</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>6,39,70,485</b>	<b>15,11,486</b>
<b>E. Cash and cash equivalents [Refer Note 2(j)]</b>		
at the beginning of the year	6,83,30,049	6,68,18,563
at the end of the year	13,23,00,534	6,83,30,049

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 : 27.05.2015


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Notes Forming Part of the Balance Sheet as at 31st March, 2015**
**Note 3 : Share Capital**

Particulars	As at 31st March' 2015		As at 31st March' 2014	
	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	25,20,000	2,52,00,000	25,20,000	2,52,00,000
<b>Total</b>		<b>2,52,00,000</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, 2015</b>				
- Number of shares	25,20,000	-	-	25,20,000
- Amount	<b>2,52,00,000</b>	-	-	<b>2,52,00,000</b>
<b>Year ended March 31, 2014</b>				
- Number of shares	25,20,000	-	-	25,20,000
- Amount	<b>2,52,00,000</b>	-	-	<b>2,52,00,000</b>

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

Particulars	As at 31st March' 2015		As at 31st March' 2014	
	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	785,745	31.18%	699,851	27.77%
Chetan Rathi	174,267	6.92%	174,267	6.92%
Chanda Devi Rathi	131,203	5.21%	131,203	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.


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

**Note 4 : Reserve & Surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a. Capital Reserve (A)</b>	<b>14,90,400</b>	<b>14,90,400</b>
<b>b. Securities Premium Account (B)</b>	<b>1,22,40,000</b>	<b>1,22,40,000</b>
<b>c. General Reserve</b>		
Opening Balance	5,94,460	3,67,792
<b>Add:</b> Transferred from surplus in Statement of Profit and Loss		3,68,123
2,26,668		
<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) (refer note 2(a))	3,13,598	-
<b>(C)</b>	<b>6,48,985</b>	<b>5,94,460</b>
<b>d. Surplus in Statement of Profit and Loss</b>		
Opening balance	4,71,52,380	4,17,54,226
<b>Add:</b> Profit for the year	1,47,24,923	90,66,655
<b>Add/(Less) :</b> Income Tax of earlier year	-	(1,58,823)
	<b>6,18,77,303</b>	<b>5,06,62,058</b>
<b>Less : Appropriations</b>		
-Transferred to general reserve	3,68,123	2,26,668
-Proposed dividend	37,80,000	30,24,000
-Tax on proposed dividend	7,69,532	5,13,929
<b>Add:</b> Excess provision of dividend tax of earlier year	-	2,54,919
	<b>49,17,655</b>	<b>37,64,597</b>
<b>(D)</b>	<b>5,69,59,648</b>	<b>4,71,52,380</b>
<b>Total [A+B+C+D]</b>	<b>7,13,39,033</b>	<b>6,14,77,240</b>

**Note 5 : Long Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a. Term Loans</b>		
From Banks		
Secured (Refer note (i) below)	0	5,00,238
<b>Total</b>	<b>0</b>	<b>5,00,238</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 10.50%. The period of maturity with respect to balance sheet date is 12 instalments.

**Note 6 : Long Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for gratuity (Refer note 27)	18,10,966	0
<b>Total :</b>	<b>18,10,966</b>	<b>0</b>




**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 7 : Short Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Working Capital Loans and Overdrafts</b> (repayable on demand)		
From banks (Refer Note below)		
Secured	1,00,00,000	0
<b>Total :</b>	<b>1,00,00,000</b>	<b>0</b>

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

**Note 8 : Trade Payables**

Particulars	As at March 31, 2015	As at March 31, 2014
Creditors - clients	15,47,66,426	11,00,01,689
Creditors - Suppliers and other services [Refer note 32 and 33]	87,71,562	78,51,781
<b>Total</b>	<b>16,35,37,988</b>	<b>11,78,53,470</b>

**Note 9 : Other Current Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long term debt [Refer note 5]	2,63,186	-
Unpaid dividend	13,95,160	13,25,637
Statutory remittances	6,37,455	7,32,478
Client margin deposits	41,40,945	30,07,259
<b>Total</b>	<b>64,36,746</b>	<b>50,65,374</b>

**Note 10 : Short Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for gratuity [Refer note 27]	92,726	-
Provision for taxation	76,71,864	35,97,863
Proposed dividend	37,80,000	30,24,000
Provision for tax on proposed dividend	7,69,532	5,13,929
<b>Total</b>	<b>1,23,14,122</b>	<b>71,35,792</b>



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

Notes forming part of the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

## **Note : 11 Fixed Assets**

### **Note 11A : Tangible Assets**

Particulars	Gross Block				Depreciation			Adjustment to opening retained earnings (refer note 2(a))	Net Block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	As at April 01, 2014	For the Period	On Deletions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Furniture and fittings	42,67,557	67,570	37,66,529	5,68,598	32,95,402	8,28,697	37,66,529	3,57,570	2,11,028	9,72,155
Motor Vehicles	22,57,892	7,05,000	-	29,62,892	13,25,471	9,53,644	-	22,79,115	6,83,777	9,32,421
Computers & data processing units	64,35,070	5,22,069	53,72,611	15,84,528	58,39,131	5,73,624	52,01,583	12,11,172	3,73,356	5,95,939
Office equipment	34,19,318	1,57,900	1,43,511	34,33,707	21,59,084	8,14,230	1,43,511	28,29,803	6,03,904	12,60,234
	1,63,79,837	14,52,539	92,82,651	85,49,725	1,26,19,088	31,70,195	91,11,623	66,77,660	18,72,065	37,60,749

### **Note 11B : Intangible Assets**

Particulars	Gross Block				Amortisation			Adjustment to opening retained earnings (refer note 2(a))	Net Block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	As at April 01, 2014	For the Period	On Deletions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Computer software	26,72,616	45,500	24,31,257	2,86,859	21,92,380	1,86,680	21,38,074	2,40,986	45,873	4,80,236
	26,72,616	45,500	24,31,257	2,86,859	21,92,380	1,86,680	21,38,074	2,40,986	45,873	4,80,236
Current year	1,90,52,453	14,98,039	1,17,13,908	88,36,584	1,48,11,468	33,56,875	1,12,49,697	69,18,646	19,17,938	42,40,985
Previous year	1,80,44,964	20,54,664	10,47,174	1,90,52,454	1,40,24,715	14,89,856	7,03,102	1,48,11,469	42,40,985	40,20,249


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

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

Particulars	As at March 31, 2015	As at March 31, 2014
<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 (31.03.2014 : 9,99,980) equity shares of par value Rs. 10 each]	1,00,00,000	99,99,800
B.N.Rathi Industries Private Limited [5,00,000 (31.03.2014 : 4,99,970) equity shares of par value Rs. 10 each]	50,00,000	49,99,700
<b>Total</b>	<b>1,50,00,000</b>	<b>1,49,99,500</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax asset</b>		
Depreciation	15,39,640	6,30,248
Employee benefits	6,17,653	-
<b>Total</b>	<b>21,57,293</b>	<b>6,30,248</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
Capital advance [Refer note 34]	14,74,864	14,74,864
Tax deducted at source	71,03,919	33,09,042
Security deposits:		
- With exchanges	2,31,55,150	1,04,55,150
<b>Total</b>	<b>3,17,33,933</b>	<b>1,52,39,056</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
Fixed deposits with banks* (Refer note 18) (Maturity period more than 12 months)	18,00,000	-
<b>Total</b>	<b>18,00,000</b>	<b>-</b>


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

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

Particulars	Face Value	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
<b>Listed :</b>					
Gokaldas Exports Limited	10	-	-	5,000	3,65,132
Vijay Textiles Limited	10	12,821	3,17,676	12,821	3,17,676
Nexsoft Infotel Limited	10	13,933	18,601	1,85,000	2,47,250
HBL Power Systems Limited	1	10,000	5,48,000	-	-
Vishnu Chemicals Limited	10	3,675	6,40,247	-	-
<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	10,000	10,000
HSE Securities Limited	10	10,000	1,00,000	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>24,34,524</b>		<b>18,40,058</b>
<b>Market Value of Shares</b>			<b>12,12,420</b>		<b>6,89,206</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	-	39,76,447
Others	1,73,69,245	1,42,24,145
<b>Total</b>	<b>1,73,69,245</b>	<b>1,82,00,592</b>

**Note 18 : Cash and Bank Balances**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents:</b>		
Cash in hand	12,549	16,151
<b>Balance with banks</b>		
- In current accounts	1,30,52,816	1,70,22,842
- In earmarked accounts		
• Unpaid dividend accounts	14,05,160	13,35,637
-Balances with bank in fixed deposits account [Refer note below] [Upto 3 months maturity from the date of acquisition]	6,50,00,000	4,99,55,419
<b>Other Bank balances</b>		
-Balances with bank in fixed deposits account [Refer note below] [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]	5,28,30,009	-
<b>Total</b>	<b>13,23,00,534</b>	<b>6,83,30,049</b>



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

Notes forming part of the Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

## **Note :**

Fixed deposits are given as security towards:

1. Bank Gaurentees	2,75,00,000	1,50,00,000
2. Overdraft facility	3,03,30,009	2,17,96,172
3. NSEIL - Currency derivatives	-	8,00,000
4. Bombay stock exchange india limited	10,00,000	10,00,000
5. NSCCL/ILFS F&O	1,00,00,000	110,00,000
6. Others - FD	5,00,00,000	3,59,247
	<b>11,88,30,009</b>	<b>4,99,55,419</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
Advances to related parties [Refer note 29(c)]	2,14,042	27,25,002
Loans and advances to employees	1,61,500	3,53,000
Margin with exchanges	7,50,00,000	8,32,00,000
Advances to suppliers and others	1,10,487	-
Security deposits		
- Others [Refer note 29(c)]	19,51,514	20,01,514
Other recievables	27,59,456	10,90,636
Prepaid expenses	6,81,291	3,42,640
Balance with government authorities	1,74,239	1,54,058
<b>Total</b>	<b>8,10,52,529</b>	<b>8,98,66,850</b>

## **Note 20 : Other Current Assets**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on deposits with banks	48,72,859	38,84,779
<b>Total</b>	<b>48,72,859</b>	<b>38,84,779</b>

## **Note 21 : Revenue from Operations**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Income from broking operations	10,64,45,564	5,83,58,033
Other Operating Revenue	1,37,58,353	1,08,45,628
<b>Total</b>	<b>12,02,03,917</b>	<b>6,92,03,661</b>


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 22 : Other Income**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Interest income	1,65,69,056	1,00,58,387
Dividend income	2,55,000	15,54,769
Miscellaneous income	30,00,697	20,46,350
<b>Total</b>	<b>1,98,24,753</b>	<b>1,36,59,506</b>

**Note 23 : Employee Benefit Expenses**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Salaries [Refer note 29(b) ]	1,30,19,909	1,19,85,079
Contribution to provident and other funds	13,49,369	6,98,880
Staff welfare	2,98,506	2,49,635
<b>Total</b>	<b>1,46,67,784</b>	<b>1,29,33,594</b>

**Note 24 : Finance Costs**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Interest expense on:		
Working Capital	8,00,000	1,35,795
Term Loan	41,348	58,639
Others	26,58,014	14,27,834
Other borrowing costs	3,30,176	2,37,292
<b>Total</b>	<b>38,29,538</b>	<b>18,59,560</b>

**Note 25 : Other Expenses**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
<b>Operating expenses:</b>		
Transaction charges	1,20,63,357	76,45,141
Other operating expenses	27,30,784	14,97,802
<b>Others:</b>		
Power and fuel	8,54,921	8,81,336
Rent [Refer note 30 ]	14,77,350	13,86,016
Repairs and maintenance	18,73,959	11,78,363
Insurance	66,492	29,341
Rates and taxes	11,17,087	16,91,277
Referral charges	-	2,99,099
Communication	5,96,458	6,28,532


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

Travelling and conveyance	55,730	1,30,249
Printing and stationary	5,97,609	4,48,225
Business promotion	6,52,459	68,465
Donations	1,25,000	1,21,000
Legal and professional	5,50,541	4,00,912
Auditor's remuneration:		
- Statutory audit	75,000	60,000
- Tax audit	15,000	9,000
- Certification	1,60,000	1,80,000
Bad debts written off	10,86,700	4,21,287
Loss on sale of fixed assets	-	1,02,870
Loss on sale of securities	6,74,692	-
General and other administration expenses	14,14,742	11,72,705
<b>Total</b>	<b>2,61,87,881</b>	<b>1,83,51,620</b>

**26. Contingent liabilities :**
**i) Bank Guarantees :**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Bank Guarantees	4,50,00,000	3,00,00,000

**ii) The company had filed appeal before ITAT against the order passed by CIT-Appeals, for the assessment year 2010-11, which came up during the year and was referred back to the assessing officer for the reassessing the valuation. The same is not quantified as of date.**
**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, 2015</b>	<b>March 31, 2014</b>
Current service cost	1,20,218	-
Interest cost on benefit obligation	-	-
Past Service cost – vested benefits	-	-
Expected return on plan assets	(1,06,488)	-
Net actuarial loss/(gain) recognized in the year	18,33,551	-
<b>Net benefit expense</b>	<b>18,47,281</b>	<b>-</b>

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Present value of defined benefit obligation	(19,03,692)	-
Fair value of plan assets	13,43,298	-
<b>Plan liability</b>	<b>5,60,394</b>	<b>-</b>

**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Opening defined benefit obligation	-	-
Current service cost	1,20,218	-
Interest cost	-	-
Past Service cost – vested benefits	-	-
Benefits paid	(50,077)	-
Actuarial losses on obligation	18,33,551	-
<b>Closing defined benefit obligation</b>	<b>19,03,692</b>	<b>-</b>

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Opening fair value of plan assets	11,34,169	-
Expected return	1,06,488	-
Contributions by employer	1,52,718	-
Benefits paid	(50,077)	-
Actuarial (losses)/gains	-	-
<b>Closing fair value of plan assets</b>	<b>13,43,298</b>	<b>-</b>

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Discount rate (%)	8%	-
Expected rate of return on assets (%)	8%	-
Salary escalation (%)	4%	-
Attrition rate (%)	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>2014-15</b>	<b>2013-14</b>
<b>Rent paid :</b>	<b>9,39,750</b>	<b>8,80,500</b>
- Chanda Devi Rathi	6,99,750	6,40,500
- Govind Narayan Rathi HUF	2,40,000	2,40,000
<b>Remuneration paid :</b>	<b>22,20,000</b>	<b>22,33,676</b>
- Hari Narayan Rathi	14,40,000	14,53,676
- Chetan Rathi	7,80,000	7,80,000
<b>Dividend paid :</b>	<b>14,21,372</b>	<b>10,98,583</b>
- Hari Narayan Rathi	9,42,894	6,99,851
- Chetan Rathi	2,09,120	1,74,267
- Chanda Devi Rathi	1,57,444	1,31,203
- Nisha Rathi	75,914	63,262
<b>Service rendered - Brokerage received :</b>	<b>2,04,781</b>	<b>14,065</b>
- Hari Narayan Rathi	95,348	3,828
- Chetan Rathi	18,789	44
- Chanda Devi Rathi	18,145	7,961
- Nisha Rathi	3,545	409
- Govind Narayan Rathi	49,571	1,821
- Anuradha Pasari	265	2
- Hari Narayan Rathi HUF	19,118	-
<b>Advance given :</b>	<b>33,63,429</b>	<b>34,89,779</b>
- B.N. Rathi Industries Private Limited	25,00,000	25,00,000
- B.N.Rathi Comtrade Private Limited	8,63,429	9,89,779
<b>Advance recovered :</b>	<b>58,63,294</b>	<b>9,73,347</b>
- B.N. Rathi Industries Private Limited	50,00,000	-
- B.N.Rathi Comtrade Private Limited	8,63,294	9,73,347



**c) Related party balances:**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Non-current investments:</b>	<b>1,49,99,500</b>	<b>1,49,99,500</b>
- B.N. Rathi Industries Private Limited	50,00,000	49,99,700
- B.N.Rathi Comtrade Private Limited	1,00,00,000	9,999,800
<b>Loans and advances given to related parties:</b>	<b>2,14,042</b>	<b>27,25,002</b>
- B.N.Rathi Comtrade Private Limited	2,14,042	2,13,907
- B.N. Rathi Industries Private Limited	-	2,511,095
<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, 2015	For the year ended March 31, 2014
Profit after tax	1,47,24,923	90,66,655
<b>Basic and diluted</b>	<b>5.84</b>	<b>3.60</b>
Weighted average number of shares outstanding	25,20,000	25,20,000
<b>Face value per share (Rs.)</b>	<b>10</b>	<b>10</b>

**32.** There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2015 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, 2015 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.** 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

**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the Financial Statements

same is doubtful.

35. 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 : 27.05.2015



## 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 : 31.03.2015
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	1,01,08,185	5,99,826
3.	Total Assets	9,62,02,644	61,96,506
4.	Total Liabilities	9,62,02,644	61,96,506
5.	Investments	-	-
6.	Turnover (Income)	3,35,27,350	1,69,54,129
7.	Profit before Taxation	19,68,851	8,59,326
8.	Provision for Taxation	6,23,188	2,59,500
9.	Profit after Taxation	13,45,583	5,99,826
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 : 27.05.2015



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

### **To the Board of Directors of B. N. Rath Securities Limited**

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

We have audited the accompanying Consolidated financial statements of **B. N. Rath Securities Limited** ("the Company"), and its subsidiaries (the Group) which comprise the Consolidated Balance Sheet as at March 31, 2015, 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 thereunder. 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 aforesaid Consolidated financial statements give the information required by the Act in the manner so



required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 Group does not have any pending litigations which would impact its Consolidated 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 are no amounts which are 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 : 27.05.2015



## 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 2015	2014
B.N. Rathi Comtrade Private Limited	India	100.00	99.99
B.N. Rathi Industries Private Limited	India	100.00	99.99

### 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.



## **Change in accounting policy**

### **Depreciation on fixed assets**

The Schedule XIV to the Companies Act, 1956, prescribed requirements relating to depreciation of fixed assets till the year ended March 31, 2014. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

### **Useful lives/ depreciation rates**

Depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these, in certain cases are different from, the lives prescribed under Schedule II.

The Group has used transitional provisions of Schedule II to adjust the impact of useful lives/ depreciation rates arising on its first application. If a fixed asset has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other fixed assets, i.e., fixed assets whose remaining useful life is not Nil on April 01, 2014, is depreciated over their remaining useful life. The Group has adjusted Rs. 3,13,598 (net of deferred tax of Rs. 1,50,613) with the opening balances of retained earnings and i.e. Surplus in the statement of profit and loss. Had the Group continued to follow the earlier useful life, the depreciation expense for the year would have been higher by Rs. 4,64,211, profit before tax would have been lower by Rs.4,64,211 and the impact on net block of fixed assets would have been immaterial.

### **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 contributes to group policy with Life Insurance Corporation of India to cover its liabilities towards Employees Gratuity.

### **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.

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

All amounts in Indian Rupees, unless otherwise stated

**Consolidated Balance Sheet as at 31st March, 2015**

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I. Equity and liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share capital	3	2,52,00,000	2,52,00,000
(b) Reserves and surplus	4	8,20,34,537	7,02,32,493
<b>(2) Minority Interest</b>		-	677
<b>(3) Non-current liabilities</b>			
(a) Long-Term Borrowings	5	-	5,00,238
(b) Long term provisions	6	18,10,966	-
(c) Other non-current liabilities	7	-	20,00,000
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	8	1,04,28,451	4,24,619
(b) Trade payables	9	23,76,65,829	18,20,36,987
(c) Other current liabilities	10	71,92,171	57,80,916
(d) Short-term provisions	11	1,34,79,503	71,98,785
<b>Total</b>		<b>37,78,11,457</b>	<b>29,33,74,715</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets	12A	29,75,902	59,71,818
(ii) Intangible assets	12B	45,873	4,80,236
(b) Deferred Tax Assets	13	25,35,182	7,25,525
(c) Long term loans and advances	14	3,86,80,485	2,19,74,678
(d) Other non-current assets	15	18,00,000	-
<b>(2) Current assets</b>			
(a) Inventories	16	45,32,366	69,94,605
(b) Trade receivables	17	6,10,09,380	6,34,89,859
(c) Cash and bank balances	18	16,73,94,781	9,08,55,338
(d) Short term loans and advances	19	9,30,23,974	9,82,40,527
(e) Other current assets	20	58,13,514	46,42,129
<b>Total</b>		<b>37,78,11,457</b>	<b>29,33,74,715</b>

Corporate information summary of significant accounting policies

1&amp;2

Accompanying notes forming an integral part of the financial statements

1 to 34

As per our Report of even date.

For **SESHACHALAM & CO.,**

For and on behalf of the Board

Chartered Accountants

Firm Registration Number : 003714S

**T. Bharadwaj****LAXMINIWAS SHARMA****HARINARAYAN RATHI**

Partner

Chairman

Managing Director

Membership No. 201042

**CHETAN RATHI****SABITHA REDDY****M.V. RAO**

Place : Hyderabad

Executive Director-cum-CFO

Company Secretary

Compliance Officer

Date : 27.05.2015

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

All amounts in Indian Rupees, unless otherwise stated

**Consolidated Statement of Profit & Loss for the year ended 31st March, 2015**

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from operations	21	16,79,34,798	10,38,45,829
II. Other Income	22	2,25,75,351	1,40,62,504
<b>III. Total Revenue (I+II)</b>		<b>19,05,10,149</b>	<b>11,79,08,333</b>
<b>IV. Expenses:</b>			
Share of brokerage		8,55,87,919	5,39,80,979
Construction expenses	23	1,37,83,476	42,51,022
Employee benefit expenses	24	1,83,37,068	1,59,73,111
Finance costs	25	40,31,638	21,07,828
Depreciation and amortisation expenses	12	46,18,507	20,45,479
Other expenses	26	4,02,68,580	3,40,19,124
<b>IV. Total Expenses</b>		<b>16,66,27,188</b>	<b>11,23,77,543</b>
<b>Less:</b> Expenses transferred to construction work-in-progress		-	51,54,547
<b>V. Profit before tax (III-IV)</b>		2,38,82,961	1,06,85,337
<b>VI. Tax expense:</b>			
Current tax expense			
- for current year		88,37,245	36,60,856
- relating to prior year		34,428	-
Deferred tax		(16,59,043)	(5,23,808)
<b>VII. Profit from the period</b>		<b>1,66,70,331</b>	<b>75,48,289</b>
<b>VIII. Earning per equity share:</b>			
Basic and diluted	31	6.62	3.00

Corporate information summary of significant accounting policies 1&2  
Accompanying notes forming an integral part of the financial statements 1 to 34

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 : 27.05.2015

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

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

All amounts in Indian Rupees, unless otherwise stated

**Consolidated Cash Flow Statement for the year ended 31st March, 2015**

Particulars	Year ended March 31, 2015	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	<b>2,38,82,961</b>	<b>1,06,85,337</b>
Adjustments:		
Depreciation and amortisation	46,18,507	20,45,479
Interest expense	35,40,195	16,55,257
Loss on sale of fixed assets	-	1,14,561
Profit on sale of fixed assets	-	(208,748)
Dividend income	(2,55,000)	(54,799)
Interest income	(1,88,73,663)	(1,18,83,223)
<b>Cash generated before working capital changes</b>	<b>1,29,13,000</b>	<b>23,53,864</b>
Adjustments for (increase) / decrease in operating assets:		
- Trade inventories	24,62,239	(58,95,076)
- Trade receivables	24,80,479	(1,60,32,323)
- Loans and advances	(85,33,447)	(2,82,33,445)
- Other current assets	(11,71,385)	(13,06,613)
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	5,56,23,007	7,93,63,412
- Long term provisions	18,10,966	-
- Short term provisions	92,726	-
- Other non-current liabilities	(20,00,000)	(5,00,000)
- Other current liabilities	14,11,255	1,94,678
<b>Cash generated from operations</b>	<b>6,50,88,840</b>	<b>2,99,44,497</b>
Direct taxes paid	(84,51,091)	(3,412,164)
<b>Net cash flow from operating activities (A)</b>	<b>5,66,37,749</b>	<b>2,65,32,333</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets	(16,52,439)	(22,17,664)
Proceeds from sale of fixed assets	-	4,56,450
Interest received	1,88,73,663	1,18,83,223
Dividend received	2,55,000	54,799
<b>Net cash flow from investing activities (B)</b>	<b>1,74,76,224</b>	<b>1,01,76,808</b>
<b>C. Cash flows from financing activities</b>		
Repayment of long term borrowings	(5,00,238)	(3,31,13,217)
Proceeds /(repayment) from working capital borrowings	1,00,03,832	(35,28,458)
Dividends paid on equity shares	(30,24,000)	(25,20,000)
Tax on dividend	(5,13,929)	(4,28,274)
Interest paid	(35,40,195)	(16,55,257)
<b>Net Cash Flow From Financing activities (C)</b>	<b>24,25,470</b>	<b>(4,12,45,206)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>7,65,39,443</b>	<b>(45,36,065)</b>
<b>E. Cash and cash equivalents [Refer Note 2(k)]</b>		
at the beginning of the year	9,08,55,338	9,53,91,403
at the end of the year	16,73,94,781	9,08,55,338

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 : 27.05.2015


**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

All amounts in Indian Rupees, unless otherwise stated

**Notes on consolidated Financial Statement for the year ended 31st March 2015**
**Note : 4 Reserve & Surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a. Capital reserve</b>		
Opening Balance	16,70,100	16,70,100
<b>Add:</b> Addition during the year	-	-
<b>Less:</b> Utilised / transferred during the year	-	-
<b>(A)</b>	<b>16,70,100</b>	<b>16,70,100</b>
<b>b. Securities premium Account</b>		
Opening Balance	1,22,40,000	1,22,40,000
<b>Add:</b> Premium on shares issued during the year	-	-
<b>Less:</b> Utilised during the year	-	-
<b>(B)</b>	<b>1,22,40,000</b>	<b>1,22,40,000</b>
<b>c. General reserve</b>		
Opening Balance	5,94,460	3,67,792
<b>Add:</b> Transferred from surplus in Statement of Profit and Loss	3,68,123	2,26,668
<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) (refer note 2(a))	3,13,598	-
<b>(C)</b>	<b>6,48,985</b>	<b>5,94,460</b>
<b>d. Surplus in Statement of Profit and Loss</b>		
Opening balance	5,57,27,933	5,19,36,867
<b>Add:</b> Profit for the year	1,66,70,331	75,48,289
<b>Add/(Less) :</b> Income Tax of earlier Year	(5,157)	(2,47,544)
	<b>7,23,93,107</b>	<b>5,92,37,612</b>
<b>Less : Appropriations</b>		
- Transferred to general reserve	3,68,123	2,26,668
- Proposed dividend	37,80,000	30,24,000
- Tax on proposed dividend	7,69,532	5,13,929
<b>Add:</b> Corporate dividend tax excess provision of earlier year	-	2,54,918
	<b>49,17,655</b>	<b>37,64,597</b>
<b>(D)</b>	<b>6,74,75,452</b>	<b>5,57,27,933</b>
<b>Total [A+B+C+D]</b>	<b>8,20,34,537</b>	<b>7,02,32,493</b>

**Note 5 : Long Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a. Term Loans</b>		
From Banks		
Secured (Refer note (i) below)	0	5,00,238
<b>Total</b>	<b>0</b>	<b>5,00,238</b>

**Note 6 : Long Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for gratuity	18,10,966	
<b>Total</b>	<b>18,10,966</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 10.50%. The period of maturity with respect to balance sheet date is 12 instalments.

**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 7 : Other non current liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Advances received	-	20,00,000
<b>Total</b>	<b>-</b>	<b>20,00,000</b>

**Note 8 : Short Term borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Working capital loans and overdrafts [repayable on demand]</b>		
From banks [Refer Note (i) below]		
Secured	1,04,28,451	4,17,406
From related parties	-	7,213
<b>Total</b>	<b>1,04,28,451</b>	<b>4,24,619</b>

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

**Note 9 : Trade Payables**

Particulars	As at March 31, 2015	As at March 31, 2014
Creditors - clients	18,28,39,652	12,82,44,914
Creditors - Suppliers and other services	1,11,93,925	99,80,262
Creditors - NSEL	4,36,32,252	4,38,11,811
<b>[Refer note 32 and 33]</b>		
<b>Total</b>	<b>23,76,65,829</b>	<b>18,20,36,987</b>

**Note 10 : Other Current Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Unpaid dividend	13,95,160	13,25,637
Statutory remittances	10,74,838	11,53,028
Client margin deposits	44,52,137	32,87,393
Current maturities of long term debt [Refer note 5]	2,63,186	-
Other payables	6,850	14,857
<b>Total</b>	<b>71,92,171</b>	<b>57,80,916</b>

**Note 11 : Short Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for taxation	88,37,245	36,60,856
Proposed dividend	37,80,000	30,24,000
Provision for gratuity	92,726	-
Provision for tax on proposed dividend	7,69,532	5,13,929
<b>Total</b>	<b>1,34,79,503</b>	<b>71,98,785</b>



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

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

## **Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2015**

### **Note : 12 Fixed Assets**

#### **Note 12 A : Tangible Assets**

Particulars	Gross Block			Depreciation			Adjustment to opening retained earnings [refer note 2(a)]	Net Block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	For the Period	On Deletions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Furnitures and fittings	66,53,748	67,570	37,66,529	29,54,789	15,17,966	37,66,529	18,83,841	10,70,948	25,21,344
Office equipments	38,56,579	1,98,800	1,43,511	39,11,868	10,08,066	1,43,511	31,61,399	7,50,469	15,59,735
Motor Vehicles	28,67,108	7,05,000	-	35,72,108	11,00,754	-	27,96,959	7,75,149	11,70,903
Computers	67,80,820	6,35,569	53,72,611	20,43,778	8,05,041	52,01,583	16,64,442	3,79,336	7,19,836
	2,01,58,255	16,06,939	92,82,651	1,24,82,543	44,31,827	91,11,623	95,06,641	29,75,902	59,71,818

#### **Note 12B : Intangible Assets**

Particulars	Gross Block			Amortisation			Adjustment to opening retained earnings [refer note 2(a)]	Net Block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	For the Period	On Deletions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Computer software	26,72,616	45,500	24,31,257	2,86,859	1,86,680	21,38,074	2,40,986	45,873	4,80,236
	26,72,616	45,500	24,31,257	2,86,859	1,86,680	21,38,074	2,40,986	45,873	4,80,236
Current year	2,28,30,871	16,52,439	1,17,13,908	1,27,69,402	46,18,507	1,12,49,697	97,47,627	30,21,775	64,52,054
Previous year	2,17,28,160	22,17,664	11,14,952	2,28,30,872	20,45,479	7,52,689	1,63,78,818	64,52,054	66,42,132




**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March' 2015**
**Note 13 : Deferred Tax Asset (Components of deferred tax assets)**

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred Tax Asset		
Depreciation	19,17,529	7,25,525
Employee benefits	6,17,653	-
<b>Total</b>	<b>25,35,182</b>	<b>7,25,525</b>

**Note 14 : Long term loans and advances**

Particulars	As at March 31, 2015	As at March 31, 2014
Capital advance	14,74,864	14,74,864
Tax deducted at source	85,50,471	37,94,664
Security deposits:		
- With exchanges	2,86,55,150	1,67,05,150
<b>Total</b>	<b>3,86,80,485</b>	<b>2,19,74,678</b>

**Note 15 : Inventories**

Particulars	As at March 31, 2015	As at March 31, 2014
Construction work in progress	20,97,842	51,54,547
Stock in trade	24,33,703	18,40,058
<b>Total</b>	<b>45,31,545</b>	<b>69,94,605</b>

**Note 15 : Inventories (Valued at lower of cost and net realizable value)**

Particulars	Face Value	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
<b>Listed :</b>					
Gokaldas Exports Limited	10	-	-	5,000	3,65,132
Vijay Textiles Limited	10	12,821	3,17,676	12,821	3,17,676
Nexsoft Infotel Limited	10	13,933	18,601	1,85,000	2,47,250
HBL Power Systems Limited	1	10,000	5,48,000	-	-
Vishnu Chemicals Limited	10	3,675	6,40,247	-	-
<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	10,000	10,000
HSE Securities Limited	10	10,000	1,00,000	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
Construction worin in progress-At cost	-	-	-	-	51,54,547
Finished property - At cost	-	-	20,97,842	-	-
<b>Total</b>			<b>45,32,366</b>		<b>69,94,605</b>

**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 16 : Other non-current assets** (Unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
Fixed deposits with banks (Refer noted 18) (Maturity period more than 12 months)	18,00,000	-
<b>Total</b>	<b>18,00,000</b>	<b>-</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	4,36,30,486	4,92,65,714
Others	1,73,78,894	1,42,24,145
<b>Total</b>	<b>6,10,09,380</b>	<b>6,34,89,859</b>

**Note 18 : Cash and Bank Balances**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents:</b>		
Cash in hand	29,203	68,431
<b>Balance with banks</b>		
- In current accounts	1,48,24,553	1,76,81,393
- In earmarked accounts		
• Unpaid dividend accounts	14,05,160	11,50,095
- Balances with bank in fixed deposits account <b>[Refer note below]</b> [Upto 3 months maturity from the date of acquisition]	7,60,00,000	4,99,55,419
<b>Other Bank balances [Refer note below]</b>		
- Balances with bank in fixed deposits account* [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]	7,51,35,865	2,20,00,000
<b>Total</b>	<b>16,73,94,781</b>	<b>9,08,55,338</b>

**Note:**

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


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

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

Particulars	As at March 31, 2015	As at March 31, 2014
Loans and advances to employees	1,69,500	3,53,000
Margin with exchanges	8,60,00,000	8,90,75,000
Advances to suppliers and others	1,10,487	-
Security deposits:		
- To related parties	5,00,000	5,00,000
- Others [Refer note 29(c)]	23,74,514	63,64,647
Other receivables	27,46,948	10,78,308
Prepaid expenses	8,97,131	5,33,578
Balance with government authorities	2,25,394	3,35,994
<b>Total</b>	<b>93,023,974</b>	<b>9,82,40,527</b>

**Note 20 : Other current assets**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on deposits	58,13,514	46,42,129
<b>Total</b>	<b>58,13,514</b>	<b>46,42,129</b>

**Note 21 : Revenue from Operations**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Brokerage income	12,95,14,173	8,35,12,701
Other operating revenue	2,16,34,125	2,03,33,128
Income from sale of flats	1,67,86,500	-
<b>Total</b>	<b>16,79,34,798</b>	<b>10,38,45,829</b>

**Note 22 : Other Income**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Interest income on deposits with banks	1,88,73,663	1,18,83,223
Dividend income	2,55,000	54,799
Miscellaneous income	34,46,688	21,24,482
<b>Total</b>	<b>2,25,75,351</b>	<b>1,40,62,504</b>


**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**Note 23 : Construction expenses**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Material	82,83,671	22,65,770
Labour	44,80,383	4,04,755
Professional and consultancy	4,43,932	15,80,497
Rates & Taxes	3,66,477	-
Site Expenses	1,81,285	-
Interest	17,603	-
Insurance	10,125	-
<b>Total</b>	<b>1,37,83,476</b>	<b>42,51,022</b>

**Note 24 : Employee Benefit Expenses**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Salaries [Refer note 29(b) ]	1,66,89,193	1,50,24,596
Contribution to provident and other funds	13,49,369	6,98,880
Staff welfare	2,98,506	2,49,635
<b>Total</b>	<b>1,83,37,068</b>	<b>1,59,73,111</b>

**Note 25 : Finance Cost**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
Interest expense on:		
- Working capital loans	8,16,798	1,48,442
- Term loans	41,348	58,639
- Others	26,58,014	14,27,834
Interest expense on delayed remittance of service tax	24,035	-
Interest on loans (related party)	-	20,342
Other borrowing costs	4,91,443	4,52,571
<b>Total</b>	<b>40,31,638</b>	<b>21,07,828</b>

**Note 26 : Other Expenses**

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
<b>Operating expenses:</b>		
Transaction charges	18,198,206	1,41,77,351
Other operating expenses	42,52,007	36,61,505
<b>Other expenses:</b>		
Power and Fuel	10,98,621	11,16,534
Rent [Refer note 29(b) & 30 ]	19,00,268	16,98,512



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

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

Repairs and maintenance	24,04,516	17,18,124
Insurance	86,090	62,786
Rates and Taxes	19,54,953	22,39,938
Communication	12,46,491	11,47,953
Travelling and Conveyance	3,30,733	2,30,134
Referral charges	-	2,99,099
Printing and Stationary	6,17,441	4,60,625
Business promotion	6,69,417	83,774
Donations	2,25,000	2,21,000
Auditor's remuneration:		-
-Statutory Audit	1,91,517	1,06,236
-Tax Audit	32,500	9,000
-Other Services	1,85,000	1,80,000
Legal and Professional	9,76,438	8,14,363
Bad debts written off	31,36,532	34,75,920
General and other administration expenses	20,36,366	14,64,828
Loss on sale of securities	7,26,484	7,36,881
Loss on sale of fixed assets	-	1,14,561
<b>Total</b>	<b>4,02,68,580</b>	<b>3,40,19,124</b>

## **27. Contingent liabilities:**

### **i) Bank Guarantees:**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Bank Guarantees	6,20,00,000	4,50,00,000

- ii) The Holding company had filled appeal before ITAT against the order passed by CIT- Appeals, for the assessment year 2010-11, which came up during the year and was referred back to the assessing officer for the reassessing the valuation. The same is not quantified as of date.

## **28. 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'.



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

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

## **Information about the primary business segments**

PARTICULARS	For the year ended 31 March, 2015			For the year ended 31 March, 2014		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	15,11,48,298	1,67,86,500	16,79,34,798	10,38,45,829	-	10,38,45,829
Inter-segment revenue	-	-	-	-	-	-
<b>15,11,48,298</b>	<b>15,11,48,298</b>	<b>1,67,86,500</b>	<b>16,79,34,798</b>	<b>10,38,45,829</b>	<b>-</b>	<b>10,38,45,829</b>
Segment result	46,47,551	7,17,719	53,65,270	12,89,737	-	12,89,737
Interest Expense	40,31,638	26,022	40,57,660	20,87,430	-	20,87,430
<b>Operating income</b>	<b>6,15,913</b>	<b>6,91,697</b>	<b>13,07,610</b>	<b>33,77,167</b>	<b>-</b>	<b>33,77,167</b>
Other income	-	-	2,25,75,351	-	-	1,40,62,504
<b>Profit before taxes</b>	<b>-</b>	<b>-</b>	<b>2,38,82,961</b>	<b>-</b>	<b>-</b>	<b>1,06,85,337</b>
Tax expense	-	-	72,12,630	-	-	31,37,048
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>1,66,70,331</b>	<b>-</b>	<b>-</b>	<b>75,48,289</b>
Segment assets	36,30,64,480	61,90,476	36,92,54,956	27,99,01,299	96,78,752	28,95,80,051
Unallocable assets	85,50,471	6,030	85,56,501	37,94,664	-	37,94,664
<b>Total Assets</b>	<b>37,16,14,951</b>	<b>61,96,506</b>	<b>37,78,11,457</b>	<b>28,36,95,963</b>	<b>96,78,752</b>	<b>29,33,74,715</b>
Segment Liabilities	35,82,28,174	59,37,006	36,41,65,180	27,64,97,178	96,78,752	28,61,75,930
Unallocable Liabilities	1,33,86,777	2,59,500	1,36,46,277	71,98,785	-	71,98,785
<b>Total Liabilities</b>	<b>37,16,14,951</b>	<b>61,96,506</b>	<b>37,78,11,457</b>	<b>28,36,95,963</b>	<b>96,78,752</b>	<b>29,33,74,715</b>
<b>Other Information</b>						
Capital expenditure-Tangible	16,06,939	-	16,06,939	22,17,664	-	22,17,664
Depreciation and Amortisation	46,18,507	-	46,18,507	20,45,479	-	20,45,479
Unallocated amortisation	-	-	-	-	-	-
<b>Total Depreciation &amp; Amortisation</b>	<b>46,18,507</b>	<b>-</b>	<b>46,18,507</b>	<b>20,45,479</b>	<b>-</b>	<b>20,45,479</b>

**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**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>
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>2014-15</b>	<b>2013-14</b>
Rent paid	<b>9,39,750</b>	<b>8,80,500</b>
- Chanda Devi Rathi	6,99,750	6,40,500
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration paid	22,20,000	22,33,676
- Hari Narayan Rathi	14,40,000	14,53,676
- Chetan Rathi	7,80,000	7,80,000
Dividend paid	14,21,372	10,98,583
- Hari Narayan Rathi	9,42,894	6,99,851
- Chetan Rathi	2,09,120	1,74,267
- Chanda Devi Rathi	1,57,444	1,31,203
- Nisha Rathi	75,914	63,262
Service rendered - Brokerage received :	2,04,781	14,065
- Hari Narayan Rathi	95,348	3,828
- Chetan Rathi	18,789	44
- Chanda Devi Rathi	18,145	7,961
- Nisha Rathi	3,545	409
- Govind Narayan Rathi	49,571	1,821
- Anuradha Pasari	265	2
- Hari Narayan Rathi HUF	19,118	-

**c) Related party balances:**

<b>Particulars</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</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

**B.N. RATHI SECURITIES LIMITED**

Notes forming part of the consolidated Financial Statements  
(All amounts in Indian Rupees, unless otherwise stated)

**27. 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.

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit after tax	1,66,70,331	75,48,289
<b>Basic and diluted</b>	<b>6.62</b>	<b>3.00</b>
Weighted average number of shares outstanding	25,20,000	25,20,000
<b>Face value per share (Rs.)</b>	<b>10</b>	<b>10</b>

29. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2015 and such balances are subject to confirmation and reconciliation.

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

The principal amount remaining unpaid as at March 31, 2015 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.

31. 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 : 27.05.2015





## **DIRECTOR'S REPORT**

To  
The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 7<sup>th</sup> Annual report together with Audited accounts for the year ended 31<sup>st</sup> March, 2015.

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

(Rs. In Lakhs)

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Income	335.27	365.57
Total Expenditure	315.58	365.90
Profit/Loss before Tax	19.69	(0.33)
Provision for taxation	6.23	0.27
Profit after Tax	13.46	(0.06)
Balance carried to Balance Sheet	<b>13.46</b>	(0.06)

### **PERFORMANCE REVIEW:**

The Company has made an income of Rs. 335.27 Lakhs and a profit of Rs. 13.46 Lakhs in the current year against the income of Rs. 365.57 Lakhs and a Loss of Rs. 0.06 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 31<sup>st</sup> March, 2015 and the date of Board's Report. (i.e. 26/05/2015)

### **BOARD MEETINGS:**

The Board of Directors met Four times during the year on 26.05.2014, 08.08.2014, 10.11.2014 and 10.02.2015 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 (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 22 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 : 26.05.2015



**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	U74900TG2008PTC60088
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	NA

**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:-

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

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

<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
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 by Custodian 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) : NA (Since 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>				





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

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

(IN. RS)

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	3,00,000	-	-	-	3,00,000 p.a.
2. Stock Option	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-
4. Commission- as % of profit Others, specify...	-	-	-	-	-
5. Others, please specify	-	-	-	-	-
6. Total (A)	3,00,000	-	-	-	-
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/WT**

(IN. RS)

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, 2015, the Statement of Profit and Loss, the 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 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 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 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 thereunder. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. The Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable to the Company under exception 2(5) of that Statement.
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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Hyderabad  
Date : 26.05.2015

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



## **Corporate information and Summary of significant accounting policies**

### **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.

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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Balance Sheet as at 31st March, 2015**

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<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	1,01,08,185	87,67,759
<b>2 Current liabilities</b>			
(a) Short term borrowings	5	4,28,451	4,17,406
(b) Trade payables	6	7,37,94,412	6,40,37,927
(c) Other current liabilities	7	9,65,716	9,14,591
(d) Short-term provisions	8	9,05,880	62,993
<b>Total</b>		<b>9,62,02,644</b>	<b>8,42,00,676</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		11,03,837	22,11,069
(b) Deferred tax asset	10	3,77,889	95,277
(c) Long term loans and advances	11	69,40,522	67,35,622
<b>2 Current assets</b>			
(a) Trade receivables	12	4,36,40,136	4,52,89,267
(b) Cash and bank balances	13	3,10,18,491	2,23,32,524
(c) Short-term loans and advances	14	1,21,97,993	67,79,567
(d) Other current assets	15	9,23,777	7,57,350
<b>Total</b>		<b>9,62,02,644</b>	<b>8,42,00,676</b>

Corporate information 1  
Summary of significant accounting policies 2  
Accompanying notes forming an integral part of the financial statements 1 to 28

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 : 26.05.2015

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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Statement of Profit & Loss for the year ended 31st March, 2015**

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from operations	16	3,09,44,381	3,46,42,168
II. Other income 17		25,82,969	19,15,296
<b>III. Total revenue</b>		<b>3,35,27,350</b>	<b>3,65,57,464</b>
<b>IV. Expenses</b>			
Employee benefit expenses	18	29,68,284	28,37,517
Finance costs	19	1,76,078	2,27,870
Depreciation	9	12,61,632	5,55,623
Other Expenses	20	1,24,96,394	1,49,86,377
Share of brokerage		1,46,56,111	1,79,83,447
<b>IV. Total expenses</b>		<b>3,15,58,499</b>	<b>3,65,90,834</b>
<b>V. Profit Before Tax</b>		<b>19,68,851</b>	<b>(33,370)</b>
<b>VI. Tax expense</b>			
- Current tax		9,05,880	62,993
- Deferred tax		(2,82,612)	(90,295)
<b>VII. Profit for the year</b>		<b>13,45,583</b>	<b>(6,068)</b>
<b>X. Earnings per equity share - Rs.10</b>			
Basic and diluted	24	0.13	(0.01)
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 28		

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 : 26.05.2015



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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Cash Flow Statement for the year ended 31st March, 2015**

(Rs. in thousands)

Particulars	Year ended March 31, 2015	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	<b>19,68,851</b>	<b>(33,370)</b>
Adjustments:		
Depreciation	12,61,632	5,55,623
Interest expense	16,798	12,647
Loss on sale of fixed assets	-	11,691
Interest income	(22,36,980)	(18,62,158)
<b>Cash generated before working capital changes</b>	<b>10,10,301</b>	<b>(13,15,567)</b>
Increase in trade payables	97,51,328	1,84,20,995
Increase/(decrease) in other current liabilities	51,125	(1,80,471)
Decrease/(Increase) in trade receivables	16,49,131	(3,38,88,735)
(Increase)/decrease in loans and advances	(46,68,426)	1,44,80,759
<b>Cash generated from operations</b>	<b>77,93,460</b>	<b>(24,83,019)</b>
Direct taxes paid	(10,17,893)	(22,21,285)
<b>Net cash flow from operating activities (A)</b>	<b>67,75,567</b>	<b>(47,04,304)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets and capital work in progress	(1,54,400)	(1,63,000)
Proceeds from sale of fixed assets	-	6,500
Interest received	20,70,554	21,74,624
<b>Net cash flow from investing activities (B)</b>	<b>19,16,154</b>	<b>20,18,124</b>
<b>C. Cash flows from financing activities</b>		
Proceeds / (Repayment) of short term borrowings	11,045	(35,35,671)
Interest paid	(16,798)	(12,647)
<b>Net Cash Flow From Financing activities (C )</b>	<b>(5,753)</b>	<b>(35,48,318)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>86,85,967</b>	<b>(62,34,498)</b>
<b>E. Cash and cash equivalents [Refer Note 2(j)]</b>		
at the beginning of the year	2,23,32,524	2,85,67,022
at the end of the year	<b>3,10,18,491</b>	<b>2,23,32,524</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 : 26.05.2015


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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Notes Forming Part of the Balance Sheet as at 31st March, 2015**
**Note 3 : Share Capital**

Particulars	As at 31st March' 2015		As at 31st March' 2014	
	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) 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, 2015</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000
<b>Year ended March 31, 2014</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**

Name of the Share Holder	As at 31st March' 2015		As at 31st March' 2014	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	10,00,000	100%	9,99,980	100%

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

Name of the Share Holder	As at 31st March' 2015		As at 31st March' 2014	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	10,00,000	100%	9,99,980	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.


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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015**
**Note 4 : Reserve & Surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a. Capital reserve</b>		
Opening Balance	1,79,700	1,79,700
<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	85,88,059	86,82,848
<b>Add:</b> Profit for the year	13,45,583	(6,068)
<b>Less :</b> Income tax of earlier year	(5,157)	(88,721)
<b>(B)</b>	<b>99,28,485</b>	<b>85,88,059</b>
<b>Total [A+B]</b>	<b>1,01,08,185</b>	<b>87,67,759</b>

**Note 5 : Short Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b> [Refer Note below]		
<b>Working capital loan</b> (repayable on demand)		
From Bank	4,28,451	4,17,406
<b>Total</b>	<b>4,28,451</b>	<b>4,17,406</b>

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

**Note 6 : Trade Payables (Refer note 25 and 26)**

Particulars	As at March 31, 2015	As at March 31, 2014
Creditors - Clients	2,80,73,226	1,82,43,225
Creditors - NSEL	4,36,32,252	4,38,11,811
Creditors - Suppliers and other services	20,88,934	19,82,890
<b>Total</b>	<b>7,37,94,412</b>	<b>6,40,37,927</b>

**Note 7 : Other Current Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Due to holding company [Refer note 22(c)]	2,14,042	2,13,907
Statutory remittances	4,37,383	4,20,550
Client margin deposits	3,11,192	2,80,134
Other payables	3,099	-
<b>Total</b>	<b>9,65,716</b>	<b>9,14,591</b>

**Note 8 : Short Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for income tax	9,05,880	62,993
<b>Total</b>	<b>9,05,880</b>	<b>62,993</b>



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

U74900TG2008PTC060088

Notes forming part of the Financial Statements

## **Note : 9 Fixed Assets**

### **i : Tangible Assets**

Particulars	Gross Block-at cost				Depreciation				Net Block	
	As at April 01, 2014	Additions	Deletions	Total Upto March 31, 2015	Upto March 31, 2014	For the year	On disposals	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Furnitures and fittings	23,86,191	-	-	23,86,191	8,37,002	6,89,269	-	15,26,271	8,59,920	15,49,189
Office equipments	4,37,261	40,900	-	4,78,161	1,37,760	1,93,836	-	3,31,596	1,46,565	2,99,501
Motor Vehicles	6,09,216	-	-	6,09,216	3,70,734	1,47,110	-	5,17,844	91,372	2,38,482
Computers	3,45,750	1,13,500	-	4,59,250	2,21,853	2,31,417	-	4,53,270	5,980	1,23,897
<b>Total</b>	<b>37,78,418</b>	<b>1,54,400</b>	<b>-</b>	<b>39,32,818</b>	<b>15,67,349</b>	<b>12,61,632</b>	<b>-</b>	<b>28,28,981</b>	<b>11,03,837</b>	<b>22,11,069</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>

### **ii : Intangible Assets**

Particulars	Gross Block-at cost				Depreciation				Net Block	
	As at April 01, 2014	Additions	Deletions	Total Upto March 31, 2015	Upto March 31, 2014	For the year	On disposals	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Furnitures & Fixtures	23,86,191	-	-	23,86,191	8,37,002	6,89,269	-	15,26,271	8,59,920	15,49,189
Office Equipments	1,77,461	40,900	-	2,18,361	69,242	1,18,157	-	1,87,399	30,962	1,08,219
Plant & Machinery	6,09,216	-	-	6,09,216	3,70,734	1,47,110	-	5,17,844	91,372	2,38,482
• Vehicles	3,45,750	1,13,500	-	4,59,250	2,21,853	2,31,417	-	4,53,270	5,980	1,23,897
• Computers	1,35,800	-	-	1,35,800	10,478	52,782	-	63,260	72,540	1,25,322
• Air Conditioners	1,24,000	-	-	1,24,000	58,040	22,897	-	80,937	43,063	65,960
• VSAT's	37,78,418	1,54,400	-	39,32,818	15,67,349	12,61,632	-	28,28,981	11,03,837	22,11,069
<b>Total</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>
<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>


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

U74900TG2008PTC060088

Notes forming part of the Financial Statements

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

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax asset</b>		
Depreciation	3,77,889	95,277
<b>Gross deferred tax liability</b>	<b>3,77,889</b>	<b>95,277</b>

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

Particulars	As at March 31, 2015	As at March 31, 2014
Advance tax and tax deducted at source	14,40,522	4,85,622
Security deposits:		
- With exchanges	55,00,000	62,50,000
<b>Total</b>	<b>69,40,522</b>	<b>67,35,622</b>

**Note 12 : Trade receivables (Unsecured, considered good)**

Particulars	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six months		
- NSEL	4,36,30,486	4,38,10,045
- Other than NSEL	-	14,79,222
Others		
- NSEL	-	-
- Other than NSEL	9,649	-
<b>Total</b>	<b>4,36,40,136</b>	<b>4,52,89,267</b>

**Note 13 : Cash and bank balances**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a. Cash and cash equivalents</b>		
- Cash in hand	16,582	8,914
- Balance with banks in n current accounts	1,96,054	3,23,611
- 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>	<b>2,23,05,856</b>	<b>2,20,00,000</b>
<b>Total</b>	<b>3,10,18,492</b>	<b>2,23,32,525</b>


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

U74900TG2008PTC060088

Notes forming part of the Financial Statements

**Note 14 : Short term loans and advances (Unsecured, considered good)**

Particulars	As at March 31, 2015	As at March 31, 2014
Balance with government authorities	51,155	21,734
Prepaid Expenses	2,15,838	1,90,939
Loans and advances to employees	8,000	-
Margin with exchanges	1,10,00,000	58,75,000
Security Deposits given :		
- To a Related party [ Refer note 22 (c ) ]	5,00,000	5,00,000
- To others	4,23,000	1,91,894
<b>Total</b>	<b>1,21,97,993</b>	<b>67,79,567</b>

**Note 15 : Other current assets (Unsecured, considered good)**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on deposits with bank	9,23,777	7,57,350
<b>Total</b>	<b>9,23,777</b>	<b>7,57,350</b>

**Note 16 : Revenue from Operations**

Particulars	As at March 31, 2015	As at March 31, 2014
Income from broking operations	2,30,68,609	2,51,54,668
Other operating revenue :		
- Transaction charges	76,56,072	88,03,718
- Other charges	2,19,700	6,83,782
<b>Total</b>	<b>3,09,44,381</b>	<b>3,46,42,168</b>

**Note 17 : Other Income**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest on deposits with bank	22,36,980	18,62,158
Miscellaneous income	3,45,989	53,138
<b>Total</b>	<b>25,82,969</b>	<b>19,15,296</b>

**Note 18 : Employee Benefit Expenses**

Particulars	As at March 31, 2015	As at March 31, 2014
Salaries and bonus [Refer note 22(b)]	29,68,284	28,37,517
<b>Total</b>	<b>29,68,284</b>	<b>28,37,517</b>


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

U74900TG2008PTC060088

Notes forming part of the Financial Statements

**Note 19 : Finance Cost**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest expense on working capital loan	16,798	12,647
Bank and other finance charges	1,59,280	2,15,223
<b>Total</b>	<b>1,76,078</b>	<b>2,27,870</b>

**Note 20 : Other Expenses**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Operating expenses:</b>		
Transaction charges	76,56,072	8,695,912
<b>Other expenses:</b>		
Power and Fuel	2,27,035	2,35,198
Rent [Refer note 23]	2,77,278	2,52,896
Repairs and maintenance	5,30,557	5,39,761
Insurance	19,598	21,745
Rates & Taxes	1,27,615	1,75,376
Communication	6,39,383	5,17,792
Traveling Expenditure	-	9,763
Business Promotion Expense	16,958	15,309
Donations & Contributions	1,00,000	1,00,000
Legal & Professional fee	3,76,224	3,49,147
Audit Fee:		
• Statutory audit	50,000	35,000
• Tax audit	10,000	-
• Certification	25,000	-
Balances written off	20,49,832	30,54,633
Loss on sale on fixed asset	-	11,691
Loss on trading of commodities	51,792	7,36,881
Other expenses	3,39,050	2,35,273
<b>Total</b>	<b>1,24,96,394</b>	<b>1,49,86,377</b>

**21. Contingent liabilities**

Particulars	2014-15	2013-14
Bank Guarantees	1,70,00,000	1,50,00,000

**22. Related party transactions as per AS 18 are as follows:**
**a) Names of the related parties and nature of relationship:**
**Nature of Relationship**

Holding Company

Key Managerial Personnel

Relatives of Key

Management Personnel (KMP):

**Name of Related Party**

B.N. Rathi Securities Limited

Nisha Rathi - Executive Director

Chanda Devi Rathi - Mother-in-law of Nisha Rathi

Chetan Rathi - Husband of Nisha Rathi

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

U74900TG2008PTC060088

Notes forming part of the Financial Statements

**b) Transactions with related parties:**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Managerial Remuneration:</b>		
- Nisha Rathi	3,00,000	3,00,000
<b>Rent paid</b>		
- Chanda Devi Rathi	2,23,350	2,01,300
<b>Unsecured loan taken:</b>		
- B N Rathi Securities Limited	8,63,429	9,89,779
<b>Unsecured loan repaid:</b>		
- B N Rathi Securities Limited	8,63,294	9,73,347

**c) Related party balances:**

<b>Particulars</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Unsecured Loans payable:</b>		
- B N Rathi Securities Limited	2,14,042	2,13,907
<b>Rental Deposit receivable:</b>		
- Chanda Devi Rathi	5,00,000	5,00,000

**23. 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.

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

<b>Particulars</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Profit after tax	13,45,584	(6,069)
<b>Basic and diluted</b>	<b>0.13</b>	<b>(0.01)</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>

25. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2015 and such balances are subject to confirmation and reconciliation.

26. The principal amount remaining unpaid as at March 31, 2015 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.

27. 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). During the year, the company's business has been carried out in India. The conditions prevailing



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

U74900TG2008PTC060088

Notes forming part of the Financial Statements

in India being uniform, no separate geographical disclosures are considered necessary. There are no other reportable segments.

28. 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

**Nisha Rathi**  
Executive Director

Place : Hyderabad  
Date : 26.05.2015



## **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, 2015.

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

(Rs. In Lakhs)

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Income	169.54	-
Total Expenditure	160.95	51.54
Profit/Loss before Tax	8.59	-
Provision for taxation	2.60	-
Profit after Tax	6.00	-
Balance carried to Balance Sheet	<b>6.00</b>	-

### **PERFORMANCE REVIEW:**

The Company has generated an income of Rs. 169.54 Lakhs and made a profit of Rs. 6.00 Lakhs before tax.

The Company is Planning to Commence Second Venture during the year.

### **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. 26/05/2015)

### **BOARD MEETINGS:**

The Board of Directors met 4 times during the year on 26.05.2014, 08.08.2014, 10.11.2014 and 10.02.2015 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:**

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 21 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 Industries Private Limited**

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

Place : Hyderabad  
Date : 26.05.2015



**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	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	NA

**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 byCustodian 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) NA (Since 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	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				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, 2015, the Statement of Profit and Loss, the 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 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 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 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 thereunder. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 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 aforesaid financial statements give the information required by the Act in the manner so required and



give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- and

- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. The Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable to the Company under exception 2(5) of that Statement.
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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Hyderabad  
Date : 26.05.2015

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



## **Corporate information and Summary of significant accounting policies**

### **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.

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Balance Sheet as at 31st March, 2015**

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<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	5,99,826	-
<b>2 Non-current liabilities</b>			
Other non-current liabilities	5	-	20,00,000
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	-	25,18,308
(b) Trade payables	7	3,33,430	1,45,590
(c) Other current liabilities	8	3,750	14,854
(d) Short term provisions	9	2,59,500	-
<b>Total</b>		<b>61,96,506</b>	<b>96,78,752</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
Long term loans and advances	10	6,030	-
<b>2 Current assets</b>			
(a) Inventories	11	20,97,842	51,54,547
(b) Cash and bank balances	12	40,75,755	1,92,764
(c) Short-term loans and advances	13	-	43,31,441
(d) Other current assets	14	16,879	-
<b>Total</b>		<b>61,96,506</b>	<b>96,78,752</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

**Chanda Devi Rathi**  
Director

Place : Hyderabad  
Date : 26.05.2015



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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Statement of Profit & Loss for the year ended 31st March, 2015**

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from operations	15	1,67,86,500	-
II. Other income	16	1,67,629	-
<b>III. Total Revenue (I+II)</b>		<b>1,69,54,129</b>	<b>-</b>
<b>IV. Expenses</b>			
Construction expenses	17	1,37,83,476	42,51,022
Employee benefit expenses	18	7,01,000	2,02,000
Finance costs	19	26,022	20,398
Other expenses	20	15,84,305	6,81,127
		<b>1,60,94,803</b>	<b>51,54,547</b>
<b>Less:</b> Expenses transferred to construction work-in-progress		-	<b>51,54,547</b>
<b>Total Expenses</b>		<b>1,60,94,803</b>	<b>-</b>
<b>V. Profit before tax (III-IV)</b>		<b>8,59,326</b>	<b>-</b>
<b>VI. Tax expense</b>			
Current tax		2,59,500	-
<b>VII. Profit for the year (V-VI)</b>		<b>5,99,826</b>	<b>-</b>
<b>Earnings per equity share - Rs. 10</b>			
Basic and diluted	23	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

**Chanda Devi Rathi**  
Executive Director

Place : Hyderabad  
Date : 26.05.2015


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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Cash Flow Statement for the year ended 31st March, 2015**

(Rs. in thousands)

Particulars	Year ended March 31, 2015	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	8,59,326	-
<b>Adjustments:</b>		
Interest expense	-	20,342
<b>Operating profit before working capital changes</b>	8,59,326	20,342
Increase in trade payables	1,87,840	1,34,354
Decrease /(increase) in other current liabilities	(20,11,104)	20,14,854
Decrease/(increase) in inventories	30,56,705	(51,32,693)
Increase in other current assets	(16,879)	-
Increase/(decrease) in loans and advances	43,25,411	(41,97,876)
<b>Cash generated from operations</b>	64,01,299	(71,61,019)
Direct taxes paid	-	-
<b>Net cash flow from operating activities (A)</b>	64,01,299	(71,61,019)
<b>B. Cash flows from investing activities</b>	-	-
<b>Net cash flow from investing activities (B)</b>	-	-
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	49,00,000
(Repayment)/proceeds from borrowings	(25,18,308)	24,68,308
Interest paid	-	(20,342)
<b>Net Cash Flow From Financing activities (C )</b>	(25,18,308)	73,47,966
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	38,82,991	1,86,947
<b>E. Cash and cash equivalents [Refer Note 2(j)]</b>		
at the beginning of the year	1,92,764	5,817
at the end of the year	40,75,755	1,92,764

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

**Chanda Devi Rathi**

Director

Place : Hyderabad

Date : 26.05.2015


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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Notes Forming Part of the Balance Sheet as at 31st March, 2015**
**Note 3 : Share Capital**

Particulars	As at 31st March' 2015		As at 31st March' 2014	
	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>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, 2015</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, 2014</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

Name of the ShareHolder	As at 31st March' 2015		As at 31st March' 2014	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rath Securities Limited	5,00,000	100.00%	4,99,970	100.00%

(c) **Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

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

Name of the ShareHolder	As at 31st March' 2015		As at 31st March' 2014	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rath Securities Limited	5,00,000	100%	4,99,970	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.

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015****Note 4 : Reserves & Surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	-	-
Add: Profit for the year	5,99,826	
<b>Total</b>	<b>5,99,826</b>	<b>-</b>

**Note 5 : Other - non current liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Advances received	-	20,00,000
<b>Total</b>	<b>-</b>	<b>20,00,000</b>

**Note 6 : Short Term borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured :</b>		
From related parties [Refer Note 21(c)]	-	25,18,308
<b>Total</b>	<b>-</b>	<b>25,18,308</b>

**Note 7 : Trade payables**

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables (Refer Note 24 & 25)	3,33,430	1,45,590
<b>Total</b>	<b>3,33,430</b>	<b>1,45,590</b>

**Note 8 : Other Current Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Other Payables	3,750	14,854
<b>Total</b>	<b>3,750</b>	<b>14,854</b>

**Note 8 : Short term provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for taxation	2,59,500	-
<b>Total</b>	<b>2,59,500</b>	<b>-</b>



**Note 10 : Long term loans and advances**

Particulars	As at March 31, 2015	As at March 31, 2014
Tax deducted at source	6,030	-
<b>Total</b>	<b>6,030</b>	<b>-</b>

**Note 11 : Inventories**

Particulars	As at March 31, 2015	As at March 31, 2014
Construction work-in-progress	-	51,54,547
Finished Property	20,97,842	-
<b>Total</b>	<b>20,97,842</b>	<b>51,54,547</b>

**Note 12 : Cash and bank balances**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents:</b>		
Cash in hand	72	43,366
Balance with bank in current accounts	15,75,683	1,49,398
Balances with bank in fixed deposits account [Upto 3 months maturity from the date of acquisition]	25,00,000	-
<b>Total</b>	<b>40,75,755</b>	<b>1,92,764</b>

**Note 13 : Short term loans and advances (Unsecured, considered goods)**

Particulars	As at March 31, 2015	As at March 31, 2014
Security deposits	-	40,00,000
Balances with government authorities	-	1,60,202
Others	-	1,71,239
<b>Total</b>	<b>-</b>	<b>43,31,441</b>

**Note 14 : Other Current Assets (Unsecured, considered goods)**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on bank deposits	16,879	-
<b>Total</b>	<b>16,879</b>	<b>-</b>

**Note 15 : Revenue from operations**

Particulars	As at March 31, 2015	As at March 31, 2014
Income from sale of flats	1,67,86,500	-
<b>Total</b>	<b>1,67,86,500</b>	<b>-</b>



**Note 16 : Other Income**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest on fixed deposit with bank	67,627	-
Miscellaneous income	1,00,002	-
<b>Total</b>	<b>1,67,629</b>	<b>-</b>

**Note 17 : Construction Expenses**

Particulars	As at March 31, 2015	As at March 31, 2014
Material	82,83,671	22,65,770
Labour	44,80,383	4,04,755
Professional and consultancy	4,43,932	15,80,497
Rates and taxes	3,66,477	-
Site expenses	1,81,285	-
Interest	17,603	-
Insurance	10,125	-
<b>Total</b>	<b>1,37,83,476</b>	<b>42,51,022</b>

**Note 18 : Employee benefits expenses**

Particulars	As at March 31, 2015	As at March 31, 2014
Salaries and wages	7,01,000	2,02,000
<b>Total</b>	<b>7,01,000</b>	<b>2,02,000</b>

**Note 19 : Finance costs**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest on loans repayable on demand	-	20,342
Interest expense on delayed remittance of service tax	24,035	-
Bank Charges	1,987	56
<b>Total</b>	<b>24,035</b>	<b>20,398</b>

**Note 20 : Other expenses**

Particulars	As at March 31, 2015	As at March 31, 2014
Power and fuel	16,665	-
Rent [Refer note 22]	1,45,640	59,600
Insurance	-	11,700
Communication	10,650	1,629
Rates and taxes	7,10,251	3,73,285
Travelling and conveyance	,275,003	90,122



Printing and stationery	19,832	12,400
Legal and professional	49,673	69,528
Audit fee		
Statutory audit	66,517	11,236
Tax audit	7,500	-
Miscellaneous expenses	2,82,574	51,627
<b>Total</b>	<b>15,84,305</b>	<b>681,127</b>

21. 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. Rath Securities Limited
Key Management Personnel (KMP):	Chanda Devi Rath
Relative of Key Managerial Personnel	Hari Narayan Rath - Husband of Chanda Devi Rath Chetan Rath - Son of Chanda Devi Rath

**b) Transactions with related parties:**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Rent paid</b>		
- Chanda Devi Rath	60,000	50,000
<b>Interest paid on unsecured loan</b>		
- Hari Narayan Rath	8,014	-
<b>Unsecured loan taken</b>		
- B N Rath Securities Limited	25,00,000	25,00,000
- Hari Narayan Rath	-	5,00,000
<b>Unsecured loan repaid</b>		
- B N Rath Securities Limited	50,00,000	-
- Hari Narayan Rath	-	5,00,000

**c) Related party balances:**

<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2014</b>
<b>Interest provision on unsecured loan</b>		
- B N Rath Securities Limited	-	12,328
- Hari Narayan Rath	-	8,014
<b>Unsecured loan</b>		
- B N Rath Securities Limited	-	25,11,095

**22. 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.



**23. Earnings per share:**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit after tax	5,99,826	-
<b>Basic and diluted</b>	<b>1.20</b>	<b>-</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>

24. There is no balance confirmation available for the receivables and payables outstanding as on March 31, 2015 and such balances are subject to confirmation and reconciliation.

25. The principal amount remaining unpaid as at March 31, 2015 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.

26. 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.

27. 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

**Chanda Devi Rathi**  
 Director

Place : Hyderabad  
 Date : 26.05.2015





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 29<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 18<sup>th</sup> day of July, 2015 at Hotel Katriya, Raj Bhavan Road, 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 31.03.2015.
2. Declaration of Dividend for the financial year 31.03.2015.
3. Appointment of Mr. Hari Narayan Rathi as Director who retires by rotation.
4. Appointment of statutory auditors and fixation of their remuneration.
5. Appointment of Mrs. Shanti Sree Bolleni as an Independent Director.
6. Re appointment of Mr. Chetan Rathi as a Whole time director.
7. To issue shares on rights basis.
8. Adoption of new articles of the Companies Act, 2013.

Signed this ..... day of ..... 2015

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 29<sup>th</sup> Annual General Meeting of the members of the company to be held on Saturday, 18th day of July, 2015 at Hotel Katriya, Raj Bhavan Road, 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:**

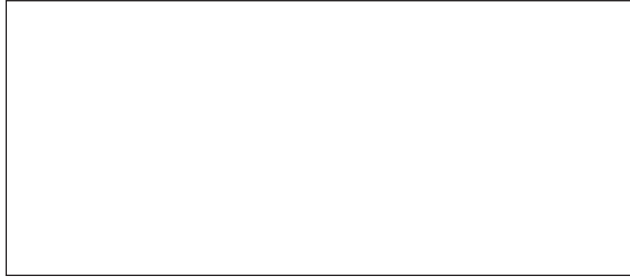
Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

**B.N. RATHI SECURITIES LIMITED**

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

PRINTED MATTER

BOOK POST



If undelivered please return to :

**B.N. RATHI SECURITIES LIMITED**

Registered Office : 6-3-652, "Kautilya", 4th Floor,  
Amrutha Estates, Somajiguda, Hyderabad - 500 082.

Tel. : 040-30527777, 30727777, Fax : +91-40-30526283