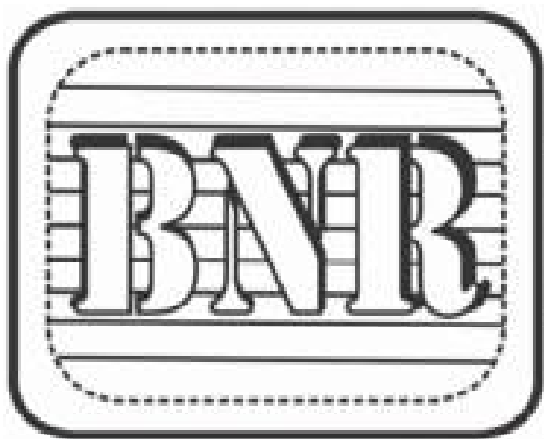


B.N. Rathi Securities Limited



32nd Annual Report
2017-2018



CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|-----------------------------|--------------------------------------------------------|
| Mr. Laxminiwas Sharma | - Non Executive Chairman (DIN: 00010899) |
| Mr. K. Harishchandra Prasad | - Non Executive & Independent Director (DIN: 05138710) |
| Mrs. Shanti Sree Bolleni | - Non Executive & Independent Director (DIN: 07092258) |
| Mr. Hari Narayan Rathi | - Managing Director (DIN: 00010968) |
| Mr. Chetan Rathi | - Executive Director cum CFO (DIN: 00536441) |

COMPLIANCE OFFICER

- Mr. M.V. Rao

COMPANY SECRETARY AND COMPLIANCE OFFICER

- Mrs. Gadila Sabitha Reddy

REGISTERED OFFICE

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

- S.S. Reddy & Associates
Practicing Company Secretaries
Plot No.6-3-354/13, A1,
Suryateja Apartments,
Hindi Nagar, Panjagutta,
Hyderabad-500034

BANKERS

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

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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



STAKEHOLDERS RELATIONSHIP COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

INDEPENDENT DIRECTORS

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s. 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

INVESTOR E-MAIL ID : investorgrievances@bnrsecurities.com

CORPORATE IDENTITY NUMBER : L65993TG1985PLC005838



NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of B.N. Rathi Securities Limited will be held on Thursday 9th of August, 2018 at 10.00 A.M. at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad - 500 004, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2018, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2018.
3. To appoint a director in place of Shri Chetan Rathi (DIN: 00536441) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Seshachalam & Co., Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

SPECIAL BUSINESS:

Item No. 5: RE-APPOINTMENT AND REVISION OF REMUNERATION OF HARI NARAYAN RATHI (DIN: 00010968) AS MANAGING DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Shri Hari Narayan Rathi (DIN: 00010968) as Managing Director of the Company for a period of three years with effect from 01.10.2018 to 30.09.2021 and to pay such remuneration as per 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 in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

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

“RESOLVED FURTHER THAT the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

Item No. 6: RE-APPOINTMENT AND REVISION OF REMUNERATION OF CHETAN RATHI (DIN: 00536441) AS WHOLE-TIME DIRECTOR CUM CFO OF THE COMPANY :

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



“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Shri Chetan Rathi (DIN: 00010968) as Whole-Time Director of the Company for a period of three years with effect from 01.04.2018 to 31.03.2021 and to pay such remuneration as per 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 in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

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

“RESOLVED FURTHER THAT the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

Item No. 7: RE-APPOINTMENT OF SHRI LAXMINIWAS SHARMA (DIN: 00010899) AS INDEPENDENT DIRECTOR 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 the provisions of Sections 149, 150, 152, 160 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Laxminiwas Sharma (DIN 00010899), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

Item No. 8: RE-APPOINTMENT OF SHRI HARISHCHANDRA PRASAD KANURI (DIN:00012564) AS INDEPENDENT DIRECTOR 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 the provisions of Sections 149, 150, 152, 160 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Harishchandra Prasad Kanuri (DIN 00012564), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

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

Place : Hyderabad
Date : 17.05.2018

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 03.08.2018 to 09.08.2018 (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 2nd August, 2018 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 2nd August, 2018
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 issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)



11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Karvy Computershare Private Limited.**, Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/ RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2017-18 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 2017-18 is being sent in the permitted mode.
17. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website 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.

18. Voting through Electronic Means (E-Voting Facility)

Pursuant to the provisions of Section 108 of the Act read with the rules thereunder and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 32nd Annual General Meeting scheduled to be held on 9th August, 2018 at 10.00 a.m. at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad – 500 004, Telangana.

The Company has engaged the services of M/s. Karvy Computershare Private Limited ("Karvy") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN



The e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 6th August, 2018 at 9. a.m.**

End of e-voting: **Up to 8th August, 2018 at 5. p.m.**

The cut-off date (i.e. the record date) for the purpose of e-voting is 2nd August, 2018.

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 17.05.2018 for the AGM scheduled to be held on 9th August, 2018 at 10.00 A.M. which is enclosed herewith and is also made available on the website of the Company www.bnrsecurities.com. Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 32nd Annual General Meeting of the Company dated 09th August, 2018.

Procedure and instructions for e-voting

A. Members who received the Notice through e-mail from Karvy:

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote:

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID b) For CDSL :- 16 digits Beneficiary ID / Client ID For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company
Password	Your unique password is printed above / provided in the e-mail forwarding the electronic notice

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. After changing password, you need to login again with the new credentials.
- vi. On successful login, the system will prompt to select the "Event" i.e. B.N. Rathi Securities Limited.
- vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/AGAINST/ABSTAIN" against the resolution or alternatively you may partially enter any number in "FOR", partially in "AGAINST" and partially in "ABSTAIN" but the total number in "FOR/AGAINST/ABSTAIN" taken together should not exceed your total shareholding.
- viii. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify your vote.



During the voting period, Members can login any number of times till they have voted on the resolution.

- ix. Corporate/Institutional Members (corporate /FIs /FIIs/Trust/Mutual Funds/Companies, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ssrfcs@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."

B. In case of Members receiving the Notice by post:

1. Please use the User ID and initial password as provided above.
 2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.
- C. The e- voting period commences on 06th August, 2018 at 09.00 A.M and ends on 8th August, 2018 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.
- D. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
- E. M/s. S.S. Reddy & Associates, Practicing Company Secretaries (PCS) has been appointed as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer's decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is ssrfcs@gmail.com.
- F. The Scrutinizer shall, on the date of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, and submit it to the Chairman.
- G. The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on 09th August, 2018 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolution.
- H. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company (www.bnrsecurities.com) and on Karvy's website (<https://evoting.karvy.com>) within 48 hours of completion of voting.
- I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 2nd August, 2018. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.
- J. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / proxies who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.
- k. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. P. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Phone : 040-67162222.
- I. Members who have acquired shares after the dispatch of the Notice and before the Cutoff date may obtain the user ID by approaching Mr. P. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Phone: 040-67162222, for issuance of the user ID and password for exercising their right to vote by electronic means.



19. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2017-18, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2010-11 to the IEPF within a period of thirty days of such amounts becoming due. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 2nd August, 2018.
21. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
22. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
23. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Place : Hyderabad
Date : 17.05.2018

Laxminiwas Sharma
Chairman



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

ITEM NO.5:

Shri. Hari Narayan Rathi (DIN: 00010968) earlier was appointed as Managing Director of the Company for a period of 3 years from 01.10.2015 to 30.09.2018 at the 30th Annual General Meeting held on 06.08.2016.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 17.05.2018, approved the re-appointment of Shri. Hari Narayan Rathi (DIN: 00010968) as Managing Director of the Company for a term of three years commencing from 01.10.2018 to 30.09.2021 with an increase of remuneration to Rs. 4,00,000 /-, Rs. 4,50,000 /-, and Rs.5, 00,000/- P.M. for the 1st, 2nd and 3rd years respectively.

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

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

Details of remuneration are:

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

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

- Free use of the Company's car with driver.
- Free telephone facility at residence.
- Encashment of Leave as per the rules of the Company.
- Club fee subject to maximum of two clubs. This will not include admission and life Membership fee.
- 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.
- 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.
- Leave Travel Concession for self & family once in a year as per the rules of the Company.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

- Nature of Industry : Securities Trading
- Date or expected date of commencement of commercial: The Company started its commercial operations in the year 15.09.1994
- In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- Financial performance based on given indications

Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)	2015-16 (Rs. in lakhs)
Turnover	22,18,83,864	19,37,82,374	14,44,98,309
Net profit after Tax	2,04,38,184	1,92,18,833	1,27,18,791



II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details: Sri Hari Narayan Rathi is a graduate in Science and was twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He has more than 3 decades of experience in securities Market.
2. Past Remuneration : The remuneration drawn by Shri Hari Narayan Rathi (DIN: 00010968) Managing Director is Rs.3,50,000 /- per month.
3. Recognition or awards : Not Applicable
4. Job Profile and his suitability : Keeping the past record of Shri. Hari Narayan Rathi in mind and his contribution towards the company, it is proposed to re-appoint him as Managing Director of his Company.
5. Remuneration proposed : As set out in the resolutions for the item No.5 the remuneration to Shri Hari Narayan Rathi, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) Taking into consideration of the size of the Company, the profile of Mr. Hari Narayan Rathi and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any : Besides the remuneration proposed, he is holding 15,71,490 Equity Shares of the Company.

III. OTHER INFORMATION:

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

ITEM No. 6:

Shri. Chetan Rathi (DIN: : 00536441) earlier was appointed as Whole-Time Director and CFO of the Company for a period of 3 years from 01.04.2015 to 31.03.2018 at the 29th Annual General Meeting held on 18.07.2015.

Now, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 17.05.2018, approved the appointment of Shri Chetan Rathi (DIN: 00536441) as Whole-Time Director and CFO of the Company for a period of three years from 01.04.2018 to 31.03.2021 with an increase in the remuneration to Rs. 3,00,000 /-, Rs.3,50,000 /-, and Rs.4, 00,000/- P.M. for the 1st, 2nd and 3rd years respectively.

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

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



Details of remuneration are:

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

In addition to the above, the Executive Director is entitled to the following facilities:

- Free use of the Company's car with driver.
- Free telephone facility at residence.
- Encashment of Leave as per the rules of the Company.
- Club fee subject to maximum of two clubs. This will not include admission and life Membership fee.
- 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.
- 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.
- Leave Travel Concession for self & family once in a year as per the rules of the Company

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

- Nature of Industry : Securities Trading
- Date or expected date of commencement of commercial: The Company started its commercial operations in the year 15.09.1994
- In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- Financial performance based on given indications

Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)	2015-16 (Rs. in lakhs)
Turnover	22,18,83,864	19,37,82,374	14,44,98,309
Net profit after Tax	2,04,38,184	1,92,18,833	1,27,18,791

- Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

- Background Details: Shri Chetan Rathi is an MBA - Finance graduate. He joined the Board of Directors of the Company in the year 2010. Earlier he has worked with Piramal Group of companies for one year at Mumbai. He played an active role in automation of Securities Payin & Payout system of our Company.
- Past Remuneration: The remuneration drawn by Mr. Chetan Rathi (DIN: 00536441) Whole-Time Director and CFO is Rs.2,50,000 /- per month.
- Recognition or awards : Not Applicable
- Job Profile and his suitability: Based on contribution made by Shri. Chetan Rathi towards the Company, it is proposed to reappoint him as Whole-time-Director and CFO of the Company.



5. Remuneration proposed : As set out in the resolutions for the item No.6 the remuneration to Shri Chetan Rathi, Whole-Time Director and CFO has the approval of the Nomination and Remuneration Committee and Board of Directors.
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) Taking into consideration of the size of the Company, the profile of Shri Chetan Rathi and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any, besides the remuneration proposed, he is holding 4,48,534 Equity Shares of the Company.

III. OTHER INFORMATION:

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

ITEM NO.7:

Shri Laxminiwas Sharma is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 1990. Shri Laxminiwas Sharma is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Shri Laxminiwas Sharma is a graduate in Commerce and C.A. He is the Senior Partner of Laxminiwas & Jain, Chartered Accountants, Auditor in several private sector undertakings and Public Sector Undertakings.

Shri Laxminiwas Sharma's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Laxminiwas Sharma being eligible and offering himself for re-appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Shri Laxminiwas Sharma as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Laxminiwas Sharma fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Laxminiwas Sharma as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Laxminiwas Sharma as an Independent Director, for the approval by the shareholders of the Company.



Except Shri Laxminiwas Sharma, being an appointee, 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. 7.

ITEM NO.8:

Shri K. Harishchandra Prasad is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 1994. Shri K. Harishchandra Prasad is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee, Stakeholders Relationship Committee of the Company.

Shri K. Harishchandra Prasad holds a degree in MBA and M.S. He is the Managing Director in Lakshmi Finance & Industrial Corporation Limited. He is also Director in several other public Companies like Hyderabad Flextech Ltd., Keerthi Industries Ltd, L-Pack Polymers Ltd., Greenpark Hotels And Resorts Limited and Andhra Printers Ltd

Shri K. Harishchandra Prasad's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri K. Harishchandra Prasad being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Shri K. Harishchandra Prasad as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri K. Harishchandra Prasad fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri K. Harishchandra Prasad as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri K. Harishchandra Prasad as an Independent Director, for the approval by the shareholders of the Company.

Except Shri K. Harishchandra Prasad, being an appointee, 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. 8.

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

Place : Hyderabad
Date : 17.05.2018

Laxminiwas Sharma
Chairman



BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 32nd Director's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

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

The performance during the period ended 31st March, 2018 has been as under:

(Rs. In Lakhs)

Particular	2017-2018	2016-2017
Total Income	2391.63	2128.00
Total Expenditure	2098.21	1829.23
Profit Before Tax	293.42	298.77
Provision for Tax	86.06	105.26
Profit after Tax	207.36	193.51
Transfer to General Reserves	-	-
Profit available for appropriation	207.36	193.51
Provision for Proposed Dividend	-	-
Provision for Dividend Tax	-	-
Balance Carried to Balance Sheet	207.36	193.51

2. MATERIAL CHANGES AND COMMITMENTS:

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. 17.05.2018)

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:

The Directors are pleased to recommend a Dividend of Rs. 1.20 Paise per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2017-18. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 72,91,184/- for which necessary provision has been made in the accounts.

5. RESERVES:

The company proposed to transfer Rs.72,91,184 to the reserve on account of declaration of dividend on both standalone and consolidated basis.

6. BOARD MEETINGS:

The Board of Directors duly met 6 (Six) times on 15.05.2017, 05.08.2017, 11.11.2017, 27.12.2017, 10.01.2018 and 10.02.2018 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

7. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received a declaration from Shri Laxminiwas Sharma, Shri K. Harishchandra Prasad and Smt. Shanti Sree Bolleni, Independent directors of the company to the effect that they



are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

8. DIRECTORS OR KMP APPOINTED OR RESIGNED.

No Directors or Key Managerial Personnels have resigned during the year. As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

Name of the Director	Shri Hari Narayan Rathi	Shri Chetan Rathi	Shri Laxminiwas Sharma	Shri Harishchandra Prasad Kanuri
Date of Birth	22/11/1953	08/03/1976	17/02/1947	15/09/1952
Qualification	Graduate in Science	MBA - Finance Graduate	Graduate in commerce and a Chartered Accountant.	Post Graduate in MBA and MS
Expertise in specific functional areas	Twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He has vast experience in securities Market.	He joined the Board of Directors of B.N. Rathi Securities Limited in the year 2010. Earlier he has worked with Piramal Group of companies for one year at Mumbai. He played an active role for the automation of Securities Payin & Payout system of the Company.	He is the senior partner of Laxminiwas & Jain, Chartered Accountants, Auditor for several private and public sector undertakings. He is a past president of Federation of A.P. Chamber of Commerce & Industry (FICCI).	Managing Director of Lakshmi Finance & Industrial Corporation Limited. He is also a Director in several other public companies.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	-	-	1. NSL Textiles Limited	1. Andhra Printers Ltd 2. Lakshmi Finance & Industrial corporation Limited 3. Green Park Hotels & Resorts Limited 4. Keerthi Industrisres Limited
Shareholding of non-executive directors.	-	-	-	500 shares
No. of Shares held in the Company	1571490	277406	-	-
Inter se relationship with any Director	Chetan Rathi	Hari Narayan Rathi	-	-



8. FAMILIARISATION PROGRAMMES:

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

9. COMPOSITION OF AUDIT COMMITTEE:

- I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 05.08.2017 and Chairman of the Audit Committee, attended previous AGM.

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

The Company has complied with all the requirements of Regulation 27 of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee.

During the financial year 2017-18, (4) four meetings of the Audit Committee were held on the 15.05.2017, 05.08.2017, 11.11.2017, 10.02.2018.

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

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Laxminiwas Sharma	Chairman	NED(I)	4	4
Harishchandra Prasad	Member	NED(I)	4	3
Shanti Sree Bolleni	Member	NED(I)	4	3
Hari Narayan Rathi	Member	MD	4	4

NED (I): Non-Executive Independent Director

MD: Managing Director

V. NOMINATION & REMUNERATION COMMITTEE

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 2017-18 are given below:



Mr. Hari Narayan Rathi - Managing Director and Mr. Chetan Rathi -Whole Time Director cum CFO have drawn a remuneration of Rs. 27,23,600/- and Rs. 19,62,600/- for the year ended 31.03.2018 respectively.

None of the Directors is drawing any Commission, Perquisites, Retirement benefits etc., During the year, the committee met on 10.02.2018.

The details of composition of the Committee are given below:

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

NED (I): Non Executive Independent Director

MD: Managing Director

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

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

2. Terms and References:

2.1 **"Director"** means a director appointed to the Board of a Company.

2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

2.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- ◆ General understanding of the company's business dynamics, global business and social perspective;
- ◆ Educational and professional background



- ◆ Standing in the profession;
- ◆ Personal and professional ethics, integrity and values;
- ◆ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

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

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

3.2 Criteria of independence

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

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

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

3.3 Other Directorships/ Committee Memberships

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

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.



- 3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

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

- 2.1 **"Director"** means a Director appointed to the Board of the company.

- 2.2 **"key managerial personnel"** means

- (i) The Chief Executive Office or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The chief finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

- 2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and Key Managerial Personnel

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

- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

- 3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retrial benefits
- (v) Annual performance Bonus



3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.

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.

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

A) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Smt. Shanti Sree Bolleni	Chairperson	NED(1)
Shri Laxminiwas Sharma	Member	NED(1)
Shri K. Harishchandra Prasad	Member	NED(1)
Shri Chetan Rathi	Member	ED

NED (I): Non Executive Independent Director

ED: Executive 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 for complaints/grievances.

VII. RISK MANAGEMENT COMMITTEE

A) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Shri K. Harishchandra Prasad	Chairman	NED(1)
Smt. Shanti Sree Bolleni	Member	NED(1)
Shri Chetan Rathi	Member	ED

NED (I) : Non Executive Independent Director

ED : Executive Director

B) RISK MANAGEMENT POLICY:

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

10. 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.

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- The Directors had prepared the annual accounts on a going concern basis; and
- 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.
- 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.



12. INVESTOR EDUCATION AND PROTECTION FUND (IEPF) :

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2010-2011 will expire on 13.09.2018 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2018 are as given below:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming the Dividend	Unclaimed amount as on 31.03.2018 (in Rupees)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2010-11	14.09.2011	13.09.2018	2,16,288	12.10.2018
2011-12	31.07.2012	30.07.2019	1,88,556	29.08.2019
2012-13	08.08.2013	07.08.2020	1,90,741	06.09.2020
2013-14	12.07.2014	11.07.2021	2,50,837	10.08.2021
2014-15	18.07.2015	17.07.2022	3,09,579	16.08.2022
2015-16	06.08.2016	05.08.2023	1,87,760	04.09.2023
2016-17	05.08.2017	04.08.2024	2,70,450	03.09.2024

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

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

B N Rathi Comtrade Private Limited and B. N. RATHI INDUSTRIES PRIVATE LIMITED are wholly owned subsidiaries of the Company has made an income of Rs. 576.68 lacs with a Profit of Rs. 64.78 lacs and Income of Rs. 2.32 lacs with a loss of Rs. 0.46 lacs respectively.

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

B N Rathi Comtrade Private Limited and B.N. Rathi Industries Private Limited are wholly owned subsidiaries of the company.

15. 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 annexed as a part of this Annual Report



16. 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.

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

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

18. SECRETARIAL AUDIT:

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

19. QUALIFICATIONS IN AUDIT REPORTS:

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

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 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 the coming years.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

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

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided here under:

A. Conservation of Energy:

The Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D) : NIL
2. Technology absorption, adoption and innovation : NIL



C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings : NIL
Foreign Exchange Outgo : NIL

21. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

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

22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The 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.

The Board has appointed M/s Penmetsa & Associates, Chartered Accountant, Hyderabad as Internal Auditors in its meeting held 17.05.2018 for the year 2018-19. Deviations are reviewed periodically and due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

24. INSURANCE:

The properties and assets of your Company are adequately insured.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

26. CREDIT & GUARANTEE FACILITIES:

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

27. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:

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

28. RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

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



29. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

30. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE:

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as annexure A

31. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 remuneration of Shri Hari Narayan Rathi, Managing Director of the Company is 11:1 and Shri Chetan Rathi, Executive Director of the Company is 9:1

32. 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 as envisaged in SEBI LODR Regulations is Not Applicable.

33. SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

34. MERGER:

Pursuant to the merger of Forward Market Commission (FMC) (regulator of commodity derivatives) with Securities Exchange Board of India (SEBI) (regulator of securities market) and notification no. G.S.R. 664(E) dated June 27, 2017 published in the official gazette where restriction on the stock brokers to deal in commodities has been omitted, the company decided to amalgamate both the businesses of securities conducted through B.N. Rathi Securities Limited and commodity derivatives trading through B N Rathi Comtrade Private Limited under one entity.

Therefore, in the Board meeting held on 10.01.2018, the company decided to amalgamate with B N Rathi Comtrade Private Limited. An application with the Hon'ble NCLT is made in this regard and the said amalgamation is in process.

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

35. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

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



36. CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2017-18 is annexed in this Annual Report.

37. EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits prescribed under Section 197 of the Companies Act, read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

38. BOARD EVALUATION:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.



- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- ◆ No. of complaints received : Nil
- ◆ No. of complaints disposed off : Nil

40. ACKNOWLEDGEMENTS:

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

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

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

Place : Hyderabad
Date : 17.05.2018

Laxminiwas Sharma
Chairman



B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

Certificate of Code of Conduct for the year 2017-18

The shareholders

B. N. Rathi Securities Limited

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

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

Place : Hyderabad

Date : 17.05.2018

Hari Narayan Rathi
Managing Director



FORM MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. B.N.Rathi Securities Limited ("The Company") for the financial year ended on 31st March, 2018, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under ;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2017-18.
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.bnrsecurities.com.**
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**



- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has Karvy Computershare Private Limited as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
 - The Payment of Gratuity Act, 1972
 - Competition Act, 2002
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Employees State Insurance Act, 1948
 - Income Tax Act, 1961
 - Indian Stamp Act, 1899
 - Minimum Wages Act, 1948
 - Payment of Bonus Act, 1965
 - Payment of Wages Act, 1936
 - Shops and Establishments Act, 1948
 - The Finance Act, 1994

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

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

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

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 meeting of Nomination & Remuneration Committee, 4 Meetings of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we report that**



- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.
- (b) **We further report that:**
- i. The Company has a CFO, Mr. Chetan Rathi and a Company Secretary namely Mrs. G. Sabitha Reddy.
 - ii. The Company has internal auditors namely M/s. Penmetsa & Associates, Chartered Accountants, Hyderabad.
 - iii. The website of the company contains several policies as followed by the company.
 - iv. The Company is regular in deducting and paying TDS under the Income Tax Act.
 - v. The Company has paid PF and ESI to the respective authorities
 - vi. The Company also has collected stamp duty and service tax on behalf of the clients and paid to the respective authorities.
 - vii. The Company is a registered member of NSE and BSE apart from having DP connectivity with CDSL. From time to time there were inspection of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.
 - viii. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For **S.S. Reddy & Associates**

S. Sarveswara Reddy
Proprietor
C.P.No: 7478

Place : Hyderabad
Date : 17.05.2018



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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **S.S. Reddy & Associates**

S. Sarveswara Reddy

Proprietor
C.P.No: 7478

Place : Hyderabad
Date : 17.05.2018



CERTIFICATE BY THE CEO AND CFO OF THE COMPANY

To
The Board of Directors

Dear Sirs,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

Place : Hyderabad
Date : 17.05.2018

Hari Narayan Rathi
Managing Director

Chetan Rathi
CFO



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

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

**

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

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



MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2017

[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:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Share Broking	99715210 and 99715220	82
2.	Interest on FD's	NA	12

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

Sl. No.	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	
(A) Promoters									
(1) Indian									
Individual/HUF	2308954	0	2308954	45.81	246954	0	2463954	48.89	3.08
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
Sub-total(A) (1)	2308954	0	2308954	45.81	246954	0	2463954	48.89	3.08
(2) Foreign									
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
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Totalshare holding of Promoter (A)= (A)(1)+(A)(2)	2308954	0	2308954	45.81	2463954	0	2463954	48.89	3.08
B. Public Shareholding									
1. Institutions									
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
Sub-total(B) (1)									
2. Non Institutions									
a) Bodies Corp.									0
i) Indian	150333	1550	151883	3.01	126436	300	126736	2.51	0.5
ii) Overseas	0	0	0	0	0	0	0	0	0



b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	7997708	364159	1161867	23.05	858488	225186	1083674	21.50	-1.55
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1136985	58750	1195735	23.72	908789	58750	967539	19.20	-4.53
c) Others (specify)									
1. NRI	1136985	0	212411	4.21	258926	0	258926	5.14	0.92
2. Clearing Members	5190	0	5190	0.10	125	0	125	0.00	-0.10
3. NRI Non Repat	3960	-	3960	0.08	2620	-	2620	0.05	-0.03
4. IEPF	-	-	-	-	136426	-	136426	2.71	2.71
Sub-total (B)(2)	2306587	424459	2731046	54.19	2291810	284236	2576046	51.11	-3.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	2306587	424459	2731046	54.19	2291810	284236	2576046	51.11	-3.08
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4615541	424459	5040000	100	4755764	284236	5040000	100	0

(ii) Shareholding of promoters

S. No.	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
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Hari Narayan Rathi	1571490	31.18	-	1571490	31.18	-	NIL
2.	Chetan Rathi	348534	6.92	-	448534	8.90	-	1.98
3.	Chanda Devi Rathi	262406	5.21	-	277406	5.50	-	0.29
4.	Nisha Rathi	126524	2.51	-	166524	3.30	-	0.79


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

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

Sl. No.	Share holder's name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. Hari Narayan Rathi					
	At the beginning of the year	1571490	31.18	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	-	-	1571490	31.18
2. CHETAN RATHI					
	At the beginning of the year	348534	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):			100000	1.98
	At the End of the year	-	-	448534	8.90
3. CHANDA DEVI RATHI(PROMOTER GROUP)					
	At the beginning of the year	262406	5.21	-	-
	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):			15000	0.29
	At the End of the year	-	-	277406	5.50
4. NISHA RATHI (PROMOTER GROUP)					
	At the beginning of the year	126524	2.51	-	-
	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):			40000	0.79
	At the End of the year			166524	3.30



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

Sl. No.	Shareholder Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	MADANLAL LALIT KOTHARI At the beginning of the year Changes during the year		Opening balance	209398	4.15	209398	4.15
		05/05/2017	Sale	10081	0.20	199317	3.95
		28/07/2017	Purchase	3997	0.08	203314	4.03
		04/08/2017	Purchase	6000	0.12	209314	4.15
		11/08/2017	Purchase	3000	0.06	212314	4.21
		15/09/2017	Purchase	4350	0.09	216664	4.30
		29/09/2017	Purchase	2929	0.06	219593	4.36
		29/12/2017	Purchase	8500	0.17	228093	4.53
		05/01/2018	Purchase	5417	0.11	233510	4.63
		12/01/2018	Purchase	3872	0.08	237382	4.71
		19/01/2018	Purchase	2841	0.06	240223	4.77
		26/01/2018	Purchase	3772	0.07	243995	4.84
		31/03/2018	Closing Balance			243995	4.84
2	PURSHOTTAM CHANDAK HUF At the beginning of the year	01/04/2017	Opening Balance	143700	2.85	143700	2.85
	At the End of the Year	31/03/2018	Closing Balance			143700	2.58
3	SUNIL KUMAR LAHOTI At the beginning of the year	01/04/2017	Opening Balance	130000	2.58	130000	2.58
	Changes during the year	21/10/2017	Sale	130000	2.58	0	0
		16/03/2018	Purchase	490	-	490	-
	At the End of the Year	31/03/2018	Closing Balance	-	-	490	2.58
4	ASHOK KUMAR MANDHANI At the beginning of the year	01/04/2017	Opening	92181	1.83	92181	1.83
	Changes during the year	14/07/2017	Sale	10000	0.20	82181	1.63
		10/11/2017	Sale	82181	1.63	-	-
	At the End of the Year	31/03/2016	Closing Balance	-	-	-	-
5	ARCHANA MANDHANI At the beginning of the year		Opening Balance	92181	1.83	92181	1.83
	Changes during the year	23/03/2018	Sale	72181	1.43	20000	0.40
	At the End of the Year	31/03/2018	Closing Balance			20000	0.40
6	CH RAVI KUMAR At the beginning of the year	01/04/2017	Opening Balance	69000	1.37	69000	1.37
	Changes during the year	05/05/2017	Sale	31459	0.62	37541	0.74



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		12/05/2017	Purchase	459	-	38000	0.75
		19/05/2017	Sale	5000	0.10	33000	0.65
		26/05/2017	Purchase	2000	0.04	35000	0.69
		14/07/2017	Sale	35000	0.69	0	0
	At the end of the year	31/03/2018	Closing Balance	-	-	0	0
7	PREM KUMAR BAJAJ						
	At the Beginning of the year	01.04.2017	Opening Balance	0	0	0	0
	Changes during the year	08/12/2017	Purchase	65000	1.29	65000	1.29
	At the end of the Year	31/03/2018	Closing balance			65000	1.29
8	AJESH DALAL						
	At the beginning of the year	01/04/2017	Opening Balance	20000	0.40	20000	0.40
	Changes during the year	28/04/2017	Purchase	10000	0.20	30000	0.60
		19/05/2017	Purchase	30000	0.60	60000	1.19
	At the End of the year	31/03/2018	Closing Balance			60000	1.19
9	THOTA BIKSHAPATHI						
	At the beginning of the year	01.04.2017	Opening Balance	33399	0.66	33399	0.66
	Changes during the year	21.04.2017	Purchase	6600	0.13	39999	0.79
		28/04/2017	Purchase	21		40020	0.79
		05/05/2017	Sale	11021	0.22	28999	0.58
		09/06/2017	Purchase	280		29279	0.58
		07/07/2017	Purchase	20		29299	0.58
		21/07/2017	Purchase	700	0.01	29999	0.60
		08/09/2017	Sale	4900	0.09	25099	0.50
		01/12/2017	Purchase	200		25299	0.50
		26/01/2018	Purchase	576		25875	0.51
		02/02/2018	Purchase	1650	0.03	27525	0.55
		09/02/2018	Purchase	474		27999	0.56
		16/02/2018	Purchase	1986		29985	0.59
		23/02/2018	Purchase	13514		43499	0.86
		02/03/2018	Purchase	2500		45999	0.91
		09/03/2018	Purchase	6006		52005	1.03
		16/03/2018	Purchase	1997		54002	1.07
		30/03/2018	Purchase	466		54468	1.08
	At the end of the year	31/03/2018	Closing Balance			54468	1.08
10	PUSHPANJALI GOLLAPUDI						
	At the beginning of the year	01.04.2017	Opening Balance	50000	0.99	50000	0.99
	Changes during the year					Nil	Nil
	At the end of the year	31/03/2018	Closing Balance			50000	0.99
11.	SAVITHA ARYA						
	At the beginning of the year	01.04.2017	Opening Balance			50000	0.99
	Changes during the year	05/05/2017	Sale	36541		13459	0.27
		12/05/2017	Sale	3459		10000	0.20
		19/05/2017	Sale	7000		3000	0.06
		14/07/2017	Sale	3000		0	0
	At the end of the year	31/03/2018	Closing Balance			0	0
12	Murali Krishna A						
	At the beginning of the year	01.04.2017	Opening Balance			48118	0.95
	Changes during the year	07/04/2017	Purchase	1887		50005	0.99



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	At the end of the year	10/11/2017 31/03/2018	Purchase Closing Balance	500		50505 50505	1.00 1.00
13	Nirman Share Brokers Private Ltd						
	At the beginning of the year	01.04.2017	Opening Balance			42000	0.83
	Changes during the year	22/09/2017	Purchase	100		42100	0.84
		29/09/2017	Sale	60		42040	0.83
		13/10/2017	Sale	40		42000	0.83
		10/11/2017	Purchase	180		42180	0.83
		17/11/2017	Purchase	195		42375	0.84
		24/11/2017	Sale	120		42255	0.84
		22/12/2017	Sale	255		42000	0.83
		12/01/2018	Purchase	100		42100	0.83
		16/02/2018	Sale	70		42030	0.83
		23/02/2018	Purchase	70		42100	0.84
	At the end of the year	31/03/2018	Closing Balance			42100	0.84
14	Sarla Gupta						
	At the beginning of the year	01.04.2017	Opening Balance			0	0
	Changes during the year	13.10.2017	Purchase	11025		11025	0.22
		20.10.2017	Purchase	4921		15946	0.32
		27.10.2017	Purchase	10180		26126	0.52
		08.12.2017	Purchase	11235		37361	0.74
	At the end of the year	31/03/2018	Closing Balance			37361	0.74
15	Anuradha Pasari						
	At the beginning of the year	01.04.2017	Opening Balance			35500	0.70
	Changes during the year						
	At the end of the year	31/03/2018	Closing Balance			35500	0.70

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Hari Narayan Rathi At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	1571490	31.18	- 1571490	- 31.18
2	Chetan Rathi At the beginning of the year Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): At the End of the year	348534	6.92	- 100000 448534	- 1.98 8.90



(vi) 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	1633098	-	-	1633098
Total (i+ii+iii)	1633098			
Change in Indebtedness during the financial year				
* Addition				
* Reduction	1239338	-	-	1239338
Net Change	1239338			
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	393760	-	-	393760
Total (i+ii+iii)	393760			

(vii) Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Hari Narayan Rathi MD	Chetan Rathi WTD/CFO	
1.	Gross salary	2723600	1962600	4686200
	(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 (A)	-	-	4686200
7.	Ceiling as per the Act			



B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Laxminivas Sharma	Mr. Harishchandra Prasad	Mr. Shanthi Sree Bolleni	
1.	Independent Directors * Fee for attending board / committee meetings * Commission * Others, please specify	80,000	65,000	65,000	2,10,000
	Total (1)	80,000	65,000	65,000	2,10,000
2.	Other Non-Executive Directors * Fee for attending board / committee meetings * Commission * Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	80,000	65,000	65,000	2,10,000
	Total Managerial Remuneration Overall Ceiling as per the Act				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (G. Sabitha Reddy)	CFO	
1.	Gross salary	-	3,72,000	-	3,72,000
(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 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		3,72,000		3,72,000



viii. 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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Related Party Disclosures

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

Nature of Relationship	Name of Related Party
Subsidiaries:	B N Rathi Comtrade Private Limited B. N. Rathi Industries Private Limited
Key Management Personnel (KMP):	Hari Narayan Rathi-Managing Director Chetan Rathi-Executive Director
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

a) Transactions with related parties:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent Paid:	9,60,000	9,60,000
- Chanda Devi Rathi	7,20,000	7,20,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration Paid:	66,00,000	49,19,275
- Hari Narayan Rathi	36,00,000	31,49,275
- Chetan Rathi	30,00,000	17,70,000
Dividend Paid:	23,08,954	18,47,163
- Hari Narayan Rathi	15,71,490	12,57,192
- Chetan Rathi	3,48,534	2,78,827
- Chanda Devi Rathi	2,62,406	2,09,925
- Nisha Rathi	1,26,524	1,01,219
Service Rendered - Brokerage Received:	2,35,770	89,821
- Hari Narayan Rathi	46,073	1,256
- Chetan Rathi	8,150	164
- Chanda Devi Rathi	18,294	301
- Nisha Rathi	20,043	46,774
- Govind Narayan Rathi	41,568	41,184
- Anuradha Pasari	4,937	142
- Hari Narayan Rathi HUF	96,707	-



Unsecured Loans Taken:	1,50,00,000	
- Hari Narayan Rathi	1,25,00,000	-
- Chetan Rathi	25,00,000	-
Unsecured Loans Repaid:	1,50,00,000	-
- Hari Narayan Rathi	1,25,00,000	-
- Chetan Rathi	25,00,000	-
Interest on Unsecured Loans:	4,19,178	-
- Hari Narayan Rathi	3,22,603	-
- Chetan Rathi	96,575	-
Sharing of Expenses:	79,22,341	1,26,42,408
- B N Rathi Comtrade Private Limited	79,22,341	1,26,42,408
Sharing of Expenses Recovered:	79,22,341	1,26,42,408
- B N Rathi Comtrade Private Limited	79,22,341	1,26,42,408
Shares Acquired:	1,55,000	-
- Chanda Devi Rathi	15,000	-
- Chetan Rathi	1,00,000	-
- Nisha Rathi	40,000	-

b) Related party balances:

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current investments:	1,50,00,000	1,50,00,000
- B. N. Rathi Industries Private Limited	50,00,000	50,00,000
- B N Rathi Comtrade Private Limited	1,00,00,000	1,00,00,000
Rent Deposit:	11,00,000	11,00,000
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000



Form AOC - 1

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

1. Name of the Subsidiaries : B.N.Rathi Comtrade Private Limited
B.N. Rathi Industries Private Limited
2. Reporting Period : 01.04.2017 to 31.03.2018
3. Reporting Currency : Indian Rupee

Sl. No.	Particulars	B.N.Rathi Comtrade Private Limited	B.N. Rathi Industries Private Limited
		Amount in Rupees	Amount In Rupees
1.	Share Capital:	1,00,00,000	50,00,000
2.	Reserves and surplus for the year ending	2,95,84,558	3,82,590
3.	Total Assets	13,23,29,594	54,05,600
4.	Total Liabilities	13,23,29,594	54,05,600
5.	Investments	-	-
6.	Turnover (Income)	5,76,68,090	2,32,851
7.	Profit / loss before Taxation	87,54,509	(20,342)
8.	Provision for Taxation	22,76,210	25,387
9.	Profit / loss after Taxation	64,78,300	(45,729)
10.	Proposed Dividend	-	-
11.	% of Shareholding	100	100

1. Names of Subsidiaries which are yet to commence operation: NA

2. Names of subsidiaries which have been liquidated or sold during the year: NA

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

For and on behalf of the Board

T. Bharadwaj
Partner

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 : 17.05.2018



Annexure A

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

Rule 5 (1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

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

Director	Total Remuneration	Ratio to median remuneration
Mr. Hari Narayan Rathi	36,00,000	11:1
Mr. Chetan Rathi	30,00,000	9:1

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

Name	Designation	Remuneration		Increase / (Decrease)%
		FY 2017-18	FY 2016-17	
Laxminivas Sharma	Director	-	-	NIL
Hari Narayan Rathi	Managing Director	36,00,000	31,49,275	14%
Harishchandra Prasad Kanuri	Director	-	-	NIL
Chetan Rathi	Wholetime Director/CFO	30,00,000	17,70,000	69%
Shanti Sree Bolleni	Director	-	-	NIL
Gadila Sabitha Reddy	Company Secretary	4,04,000	3,52,000	15%

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

Name	Remuneration		Increase / (Decrease)%
	FY 2017-18	FY 2016-17	
Median Remuneration of all the employees per annum*	3,32,000	3,33,200	-0.36%

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

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2018	101



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

Particulars	Increase / (Decrease)%
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	-1%
Average Percentage increase in the Remuneration of Key Managerial Personnel	
Mr. Hari Narayan Rathi (Managing Director)	14%
Mr. Chetan Rathi (Wholetime Director/CFO)	69%
Mrs. Gadila Sabitha Reddy (Company Secretary)	15%

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

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

The Company is in compliance with its remuneration policy.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF B. N. RATHI SECURITIES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of B. N. Rathi Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company does not have any pending litigations which would impact its financial position
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

T. Bharadwaj
Partner
Membership No. 201042

Place : Hyderabad
Date : 17.05.2018



Annexure 1 to the Independent Auditors' Report

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

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



the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Seshachalam & Co.,

Chartered Accountants

Firm Registration Number. 003714S

T. Bharadwaj

Partner

Membership No. 201042

Place : Hyderabad

Date : 17.05.2018



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

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

TO THE MEMBERS OF B. N. RATHI SECURITIES LIMITED

We have audited the internal financial controls over financial reporting of B. N. Rathi Securities Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 17, 2018 expressed an unqualified opinion.

For Seshachalam & Co.,

Chartered Accountants

Firm Registration Number. 003714S

T. Bharadwaj

Partner

Membership No. 201042

Place : Hyderabad

Date : 17.05.2018

**1. Corporate Information:**

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

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

2. Significant Accounting Policies:

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

a) Statement of Compliance:

The company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, read with section 133 of the Companies Act 2013, with effect from April 01, 2017.

The adoption was carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. Previous period comparatives in the separate financials statements have been restated to Ind AS, in accordance with Ind AS 101. The Company has presented a reconciliation from the presentation of financials statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 01, 2016 and of the total comprehensive income for the year ended March 31, 2017.

b) Basis of preparation:

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

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

c) Use of estimates and judgements:

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

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



d) Current versus non-current classification:

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- ◆ Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- ◆ Held primarily for the purpose of trading,
- ◆ Expected to be realized within twelve months after the reporting period or,
- ◆ Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- ◆ It is expected to be settled in the normal operating cycle,
- ◆ It is held primarily for the purpose of trading,
- ◆ It is due to be settled within twelve months after the reporting period or,
- ◆ There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

e) Property, plant and equipment:

i. Recognition and initial measurement:

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

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

ii. Depreciation, estimated useful lives and residual value:

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

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



iii. De-recognition:

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

iv. Transition to Ind AS:

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

f) Intangible Assets:

i. Recognition and initial measurement:

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

ii. Amortization and estimated useful lives:

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

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

iii. Transition to Ind AS:

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

g) Impairment of assets:

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

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



h) Revenue Recognition:

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

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

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

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

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

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

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

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

i) Leases:

Where the lessor effectively retains all risk and benefits of ownership of the leased items, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis.

j) Financial Instruments:

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

Investments in subsidiaries, associates and joint ventures

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

De-recognition of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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



De-recognition of financial liabilities

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

c. Offsetting financial instruments

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

k) Borrowing costs:

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

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

l) Employee Benefits:

a. Short-term benefit plans

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

b. Defined contribution plans

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

c. Defined benefit plans

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



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

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

m) Income Taxes:

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

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

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

n) Provisions, contingent liabilities and contingent assets:

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



Contingent liability is disclosed for:

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

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

o) Cash and cash equivalents:

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

p) Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

q) Earnings per share:

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

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

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipment	3	33,28,991	28,39,154	47,48,361
(b) Intangible assets	4	63,678	2,49,123	73,463
(c) Financial Assets				
- Investments	5	1,50,00,000	1,50,00,000	1,50,00,000
- Loans	6	1,31,00,000	1,33,00,000	2,29,78,000
- Other non-current financial assets	7	3,80,608	3,16,315	1,74,429
(d) Deferred tax assets (Net)	8	27,03,795	25,94,443	29,03,459
(e) Other non-current assets	9	29,76,187	27,44,024	22,10,670
Total Non-Current Assets [A]		3,75,53,259	3,70,43,059	4,80,88,382
2 Current Assets				
(a) Financial Assets				
- Investments	10	90,28,960	9,20,294	16,69,207
- Loans	11	16,49,85,785	13,73,00,000	10,15,00,000
- Trade receivables	12	6,75,17,805	8,79,34,528	4,44,70,858
- Cash and cash equivalents	13	12,98,03,962	4,31,49,072	9,65,18,549
- Bank balances other than above	14	7,38,57,134	8,78,04,958	6,81,61,371
- Other current financial assets	15	61,70,767	76,61,459	80,28,883
(b) Income Taxes	16	10,98,045	-	5,76,400
(c) Other current assets	17	57,86,327	29,50,703	38,69,529
Total Current Assets [B]		45,82,48,786	36,77,21,014	32,47,94,797
TOTAL ASSETS [A+B]		49,58,02,044	40,47,64,073	37,28,83,179
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	18	5,04,00,000	5,04,00,000	5,04,00,000
(b) Other Equity	19	12,31,38,669	10,87,88,532	9,44,22,572
Total Equity [A]		17,35,38,669	15,91,88,532	14,48,22,572
2 Non-Current Liabilities				
(a) Financial Liabilities				
- Borrowings	20	-	3,30,681	15,78,910
(b) Provisions	21	25,68,144	22,94,111	23,25,364
Total Non-Current Liabilities [B]		25,68,144	26,24,792	39,04,274
3 Current Liabilities				
(a) Financial Liabilities				
- Borrowings	22	3,93,760	13,02,417	11,47,627
- Trade payables	23	30,78,21,942	23,12,49,429	21,39,24,606
(b) Provisions	24	1,46,590	1,12,629	1,08,283
(c) Income Taxes	25	-	1,09,669	-
(d) Other current liabilities	26	1,13,32,939	1,01,76,606	89,75,817
Total Current Liabilities [C]		31,96,95,231	24,29,50,749	22,41,56,333
TOTAL EQUITY AND LIABILITIES [A+B+C]		49,58,02,044	40,47,64,073	37,28,83,179
Corporate information	1			
summary of significant accounting policies	2			
Accompanying notes forming an integral part of the financial statements	1 to 45			

As per our Report of even date.

For **SESHACHALAM & CO.,**
Chartered AccountantsFor and on behalf of the Board of Directors of
B.N. RATHI SECURITIES LIMITED

Firm Registration Number : 003714S

T. Bharadwaj
Partner
Membership No. 201042**Laxminiwas Sharma**
Chairman
DIN : 00010899**Harinarayan Rathi**
Managing Director
DIN : 00010968**Chetan Rathi**
Executive Director-cum-CFO
DIN : 00536441Place : Hyderabad
Date : 17.05.2018**Sabitha Reddy**
Company Secretary**M.V. Rao**
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, 2018

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I REVENUE			
Revenue from Operations (Gross)	27	22,18,83,864	19,37,82,374
Other Income	28	1,72,79,584	1,90,18,048
TOTAL REVENUE [I]		23,91,63,448	21,28,00,422
II EXPENSES			
Employee benefit expenses	29	4,57,77,320	3,48,71,777
Finance costs	30	29,04,403	29,11,482
Depreciation and amortization expense	3 & 4	21,64,893	30,58,273
Other expenses	31	5,06,44,436	4,01,57,457
Share of brokerage		10,83,30,231	10,19,24,444
TOTAL EXPENSES [II]		20,98,21,283	18,29,23,433
III Profit Before Tax		2,93,42,165	2,98,76,989
IV Tax Expense:			
- Current tax	32	87,15,554	1,00,66,023
- Adjustment of current tax relating to earlier years	32	-	1,51,259
- Deferred tax credit	32	(1,09,352)	3,09,016
V Profit for the year		2,07,35,963	1,93,50,691
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(2,77,398)	(98,435)
- Remeasurements of financial assets		(712)	(596)
- Recognition of borrowings using effective interest rate		(19,670)	(32,827)
Other comprehensive income for the year, net of tax		2,04,38,184	1,92,18,833
VII Earnings per equity share Rs. 10/- each fully paid			
- Basic	38	4.11	3.84
- Diluted	38	4.11	3.84
Corporate information summary of significant accounting policies	1		
Accompanying notes forming an integral part of the financial statements	2		
	1 to 45		

As per our Report of even date.

For **SESHACHALAM & CO.,**
Chartered AccountantsFor and on behalf of the Board of Directors of
B.N. RATHI SECURITIES LIMITED

Firm Registration Number : 003714S

T. Bharadwaj
Partner
Membership No. 201042**Laxminiwas Sharma**
Chairman
DIN : 00010899**Harinarayan Rathi**
Managing Director
DIN : 00010968**Chetan Rathi**
Executive Director-cum-CFO
DIN : 00536441Place : Hyderabad
Date : 17.05.2018**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, 2018

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) for the period		2,93,42,165	2,98,76,989
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		21,64,893	30,58,273
Interest expense		29,04,403	29,11,482
Fair value loss on investments		17,12,738	-
Profit on sale of property, plant and equipment		-	(22,794)
Remeasurement of post employee benefits		(2,77,398)	(98,435)
Profit on sale of securities		(15,90,870)	(1,83,156)
Profit on sale of investments in mutual funds		(14,52,960)	(3,08,849)
Fair value gain on investments		-	(73,442)
Dividend income		(1,30,400)	(87,600)
Interest income		(1,41,05,354)	(1,83,42,207)
Cash generated before working capital changes		1,85,67,217	1,67,30,261
Movements in working capital:			
Increase/(Decrease) in trade payables		7,65,72,513	1,73,24,823
Increase/(Decrease) in other current liabilities		11,56,333	12,00,789
Increase/(Decrease) in long term provisions		2,74,033	(31,253)
Increase/(Decrease) in short term provisions		33,961	4,346
(Increase)/Decrease in trade receivables		2,04,16,723	(4,34,63,670)
(Increase)/Decrease in other non-current financial assets		(65,005)	(1,42,482)
(Increase)/Decrease in non-current loans		2,00,000	96,78,000
(Increase)/Decrease in current loans		(2,76,85,785)	(3,58,00,000)
(Increase)/Decrease in other non-current assets		(2,32,163)	(5,33,354)
(Increase)/Decrease in other current financial assets		14,90,692	3,67,424
(Increase)/Decrease in other current assets		(28,35,624)	9,18,826
Cash generated from operations		8,78,92,896	(3,37,46,291)
Income taxes paid		(99,23,268)	(95,31,214)
Net cash flow (used in)/from operating activities (A)		7,79,69,628	(4,32,77,504)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including intangible assets		(24,69,285)	(13,32,432)
Net (Purchase)/Sale of current investments		(50,64,836)	12,40,918
(Investment)/Redemption of bank deposits		1,39,47,824	(1,96,43,587)
Proceeds from sale of property, plant and equipment		-	30,500
Dividend received		1,30,400	87,600
Fair Value Gain/(Loss) on investments		(17,12,738)	73,442
Interest received		1,41,05,354	1,83,42,207
Net cash flow (used in)/from investing activities (B)		1,89,36,719	(12,01,352)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of)/Proceeds from long term borrowings		(3,30,681)	(12,48,229)
(Repayment of)/Proceeds from short term borrowings		(9,17,548)	1,11,185
Dividends paid on equity shares and tax on equity dividend paid		(60,88,047)	(48,52,873)
Interest paid		(29,04,403)	(29,11,482)
Net cash flow (used in)/from financing activities (C)		(1,02,40,679)	(89,01,399)
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		8,66,65,668	(5,33,80,255)
E. Cash and cash equivalents			
at the beginning of the year	13	4,31,38,294	9,65,18,549
at the end of the year		12,98,03,962	4,31,38,294
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		12,22,83,974	2,06,40,327
- Deposits with original maturity of less than 3 months		75,00,000	2,25,00,000
Cash on hand		19,988	8,745
Less: Bank overdraft		-	(10,778)
Cash and cash equivalents at the end of the year		12,98,03,962	4,31,38,294
Corporate information	1		
summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 45		

As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

For and on behalf of the Board of Directors of

B.N. RATHI SECURITIES LIMITED
T. Bharadwaj

Partner

Membership No. 201042

Laxminiwas Sharma

Chairman

DIN : 00010899

Harinarayan Rathi

Managing Director

DIN : 00010968

Chetan Rathi

Executive Director-cum-CFO

DIN : 00536441

Place : Hyderabad

Date : 17.05.2018

Sabitha Reddy
Company Secretary

M.V. Rao
Compliance Officer

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Statement of Changes in Equity for the year ended March 31, 2018****A. Equity Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	5,04,00,000	5,04,00,000

B. Other Equity

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Movement in other equity is as follows:		
I. Capital Reserve	14,90,400	14,90,400
II. Securities Premium	2,26,16,151	2,26,16,151
III. General Reserve	9,66,955	9,66,955
IV. Retained Earnings		
(i) Opening Balance	8,37,15,026	6,93,49,066
(ii) Profit for the year	2,07,35,963	1,93,50,691
(iii) Other comprehensive income	(2,97,779)	(1,31,858)
(iv) Proposed dividend and tax on the same	(60,88,047)	(48,52,873)
	9,80,65,163	8,37,15,026
Total	12,31,38,669	10,87,88,532

As per our Report of even date.

For **SESHACHALAM & CO.,**
Chartered AccountantsFor and on behalf of the Board of Directors of
B.N. RATHI SECURITIES LIMITED

Firm Registration Number : 003714S

T. Bharadwaj
Partner
Membership No. 201042**Laxminiwas Sharma**
Chairman
DIN : 00010899**Harinarayan Rathi**
Managing Director
DIN : 00010968**Chetan Rathi**
Executive Director-cum-CFO
DIN : 00536441Place : Hyderabad
Date : 17.05.2018**Sabitha Reddy**
Company Secretary**M.V. Rao**
Compliance Officer


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 3: Property, plant and equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Furniture and Fittings	1,84,415	2,71,119	89,361
Motor Vehicles	24,37,971	18,84,952	37,07,052
Computers and Data Processing Units	3,98,371	3,34,755	3,80,750
Office Equipment	3,08,234	3,48,328	5,71,198
Total	33,28,991	28,39,154	47,48,361

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
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For the year 2017-18

I. Gross Block					
Opening Balance	7,39,655	69,20,732	17,08,136	18,58,180	1,12,26,703
Additions	23,400	17,36,810	4,91,715	2,17,360	24,69,285
Disposals	-	-	-	-	-
Balance as at March 31, 2018	7,63,055	86,57,542	21,99,851	20,75,540	1,36,95,988
II. Accumulated Depreciation					
Opening Balance	4,68,536	50,35,780	13,73,381	15,09,852	83,87,549
Depreciation expense for the year	1,10,104	11,83,791	4,28,099	2,57,454	19,79,448
Eliminated on disposal of assets	-	-	-	-	-
Balance as at March 31, 2018	5,78,640	62,19,571	18,01,480	17,67,306	1,03,66,997
III. Net Block [I-II]					
Carrying value as at March 31, 2018	1,84,415	24,37,971	3,98,371	3,08,234	33,28,991
Carrying value as at March 31, 2017	2,71,119	18,84,952	3,34,755	3,48,328	28,39,154

For the year 2016-17

I. Gross Block					
Opening Balance	5,99,624	74,31,452	23,29,879	40,85,117	1,44,46,072
Additions	2,74,057	-	4,50,064	2,21,600	9,45,721
Disposals	1,34,026	5,10,720	10,71,807	24,48,537	41,65,090
Balance as at March 31, 2017	7,39,655	69,20,732	17,08,136	18,58,180	1,12,26,703
II. Accumulated Depreciation					
Opening Balance	5,10,263	37,24,400	19,49,129	35,13,919	96,97,711
Depreciation expense for the year	92,299	18,22,100	4,96,059	4,36,764	28,47,222
Eliminated on disposal of assets	1,34,026	5,10,720	10,71,807	24,40,831	41,57,384
Balance as at March 31, 2017	4,68,536	50,35,780	13,73,381	15,09,852	83,87,549
III. Net Block [I-II]					
Carrying value as at March 31, 2017	2,71,119	18,84,952	3,34,755	3,48,328	28,39,154
Carrying value as at April 01, 2016	89,361	37,07,052	3,80,750	5,71,198	47,48,361


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 4 : Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Computer Software	63,678	2,49,123	73,463
Total	63,678	2,49,123	73,463

	Description of Assets	Computer Software
For the year 2017-18		
I.	Gross Block	
	Opening Balance	8,25,763
	Additions	-
	Disposals	-
	Balance as at March 31, 2018	8,25,763
II.	Accumulated Amortization	
	Opening Balance	5,76,640
	Amortization expense for the year	1,85,445
	Eliminated on disposal of assets	-
	Balance as at March 31, 2018	7,62,085
III.	Net Block [I-II]	
	Carrying value as at March 31, 2018	63,678
	Carrying value as at March 31, 2017	2,49,123
For the year 2016-17		
I.	Gross Block	
	Opening Balance	6,80,411
	Additions	3,86,711
	Disposals	2,41,359
	Balance as at March 31, 2017	8,25,763
II.	Accumulated Amortization	
	Opening Balance	6,06,948
	Amortization expense for the year	2,11,051
	Eliminated on disposal of assets	2,41,359
	Balance as at March 31, 2017	5,76,640
III.	Net Block [I-II]	
	Carrying value as at March 31, 2017	2,49,123
	Carrying value as at April 01, 2016	73,463


B.N. RATHI SECURITIES LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 5 : Non current investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in equity instruments (fully paid-up)			
(i) Unquoted Investments			
(a) Subsidiaries :			
B.N.Rathi Comtrades Private Limited [10,00,000 (31.03.2017 : 10,00,000) equity shares of par value Rs. 10 each]	1,00,00,000	1,00,00,000	1,00,00,000
B.N.Rathi Industries Private Limited [5,00,000 (31.03.2017 : 5,00,000) equity shares of par value Rs. 10 each]	50,00,000	50,00,000	50,00,000
Total	1,50,00,000	1,50,00,000	1,50,00,000

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

Note 6 : Non-Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security Deposits			
- Security Deposits with Stock Exchanges/ Clearing Houses	1,31,00,000	1,33,00,000	2,29,78,000
Total	1,31,00,000	1,31,00,000	2,29,78,000

Note 7 : Other Non-current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	3,80,608	3,16,315	1,74,429
Total	3,80,608	3,16,315	1,74,429

Note 8 : Deferred Tax Asset (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Depreciation	19,55,818	19,31,326	20,98,822
Employee Benefits	7,47,977	6,63,117	8,04,637
Total	27,03,795	25,94,443	29,03,459


B.N. RATHI SECURITIES LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 9 : Other Non-Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances (Refer NOte 41)	14,74,864	14,74,864	14,74,864
Prepaid Expenses	15,01,323	12,69,160	7,35,806
Total	29,76,187	27,44,024	22,10,670

Note 10 : Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in equity instruments (fully paid-up)			
(i) Quoted Investments			
- Vantel Technologies Limited [Nil (31.03.2017: 20,345) equity shares of face value Rs.1 each]	-	-	29,907
- Hinduja Ventures [Nil (31.03.2017:Nil) equity shares of face value Rs.10 each]	-	-	8,39,300
- BSE Limited [200 (31.03.2017: 200) equity shares of face value Rs. 10 each]	1,46,510	1,95,530	
- Canara Bank [NIL (31.03.2017:75) equity shares of face value Rs.10 each]	-	22,725	
- IP Rings Limited [NIL (31.03.2017:16) equity shares of face value Rs.10 each]	-	2,039	
- Aurobindo Pharma Limited [2,000 (31.03.2017:NIL) equity shares of face value Rs.1 each]	11,00,700	-	
- Deepak Fertilizers & Petrochemicals Corporation Ltd [2,000 (31.03.2017:NIL) equity shares of face value Rs.10 each]	5,90,900	-	
- The India Cements Limited [5,000 (31.03.2017:NIL) equity shares of face value Rs.10 each]	7,06,250	-	
- MIRC Electronics Limited [30,000 (31.03.2017:NIL) equity shares of face value Rs.1 each]	13,77,000	-	
- NCC Limited [5,000 (31.03.2017:NIL) equity shares of face value Rs.2 each]	5,91,750	-	
- Ramco Industries Limited [7,000 (31.03.2017:NIL) equity shares of face value Rs. 1 each]	16,13,850	-	
- Rashtriya Chemicals and Fertilizers Ltd [30,000 (31.03.2017:NIL) equity shares of face value Rs.10 each]	22,02,000	-	


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(ii) Unquoted Investments			
(a) Other Investments:			
- Mahesh Vidya Bhavan Limited [20,000 (31.03.2017 : 20,000) equity shares of face value Rs.10 each]	2,00,000	2,00,000	2,00,000
- Bombay Stock Exchange [Nil (31.03.2017 : Nil) equity shares of face value Rs.10 each]	-	-	1,00,000
- Sevenhills Co-op Bank Limited [5,000 (31.03.2017 : 5,000) equity shares of face value Rs.10 each]	5,00,000	5,00,000	5,00,000
Total	90,28,960	9,20,294	16,69,207

Aggregate amount of quoted investments and market value thereof	83,28,960	2,20,294	8,69,207
Aggregate amount of unquoted investments	7,00,000	7,00,000	8,00,000
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at cost	7,00,000	7,00,000	8,00,000
Investments carried at amortized cost	-	-	-
Investments carried at fair value through profit and loss	83,28,960	2,20,294	8,69,207

Note 11 : Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good Security margin money with Stock Exchanges / Clearing Houses	16,49,85,785	13,73,00,000	10,15,00,000
Total	16,49,85,785	13,73,00,000	10,15,00,000

Note 12 : Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good Outstanding for a period exceeding six months Others (Refer Note 39)	- 6,75,17,805	1,159 8,79,33,369	127 4,44,70,731
Total	6,75,17,805	8,79,34,528	4,44,70,858

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 13 : Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with Banks			
- In current Accounts	12,22,83,974	2,06,40,327	8,54,97,610
- Deposits with original maturity of less than 3 months	75,00,000	2,25,00,000	1,10,00,000
Cash on Hand	19,988	8,745	20,939
Total	12,98,03,962	4,31,49,072	9,65,18,549

Note 14 : Bank Balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) In earmarked accounts			
- Unpaid dividend accounts	16,24,211	15,49,949	15,31,362
(ii) On deposit accounts			
- Remaining maturity for more than 12 months	-	18,00,000	-
- Remaining maturity for less than 12 months	7,22,32,923	8,44,55,009	6,66,30,009
Total	7,38,57,134	8,78,04,958	6,81,61,371

Note 15 : Other current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	18,31,915	17,69,017	19,78,014
Interest accrued but not due	41,78,352	56,02,442	59,12,869
Advance to employees	1,60,500	2,90,000	1,38,000
Total	61,70,767	76,61,459	80,28,883

Note 16 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	98,13,599	-	73,43,966
Current Tax Liabilities	87,15,554	-	67,67,566
Total	10,98,045	-	5,76,400

Note 17 : Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid Expenses	12,525	21,433	12,247
Balance with government authorities (other than income taxes)	7,08,379	3,07,357	2,96,239
Other current assets	50,65,423	26,21,913	35,61,043
Total	57,86,327	29,50,703	38,69,529



Notes to Financial Statements for the year ended March 31, 2018

Note 18 : Share Capital

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Authorised: Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Issued, subscribed and fully paid: Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000	50,40,000	5,04,00,000
Total	50,40,000	5,04,00,000	50,40,000	5,04,00,000	50,40,000	5,04,00,000

(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
Equity shares				
Year ended March 31, 2018				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
Year ended March 31, 2017				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
As at April 01, 2016				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000

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

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

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
Equity shares of Rs.10/- each fully paid						
Hari Narayan Rathi	15,71,490	31.18%	15,71,490	31.18%	15,71,490	31.18%
Chetan Rathi	4,48,534	8.90%	3,48,534	6.92%	3,48,534	6.92%
Chanda Devi Rathi	2,77,406	5.50%	2,62,406	5.21%	2,62,406	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.

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Notes to Financial Statements for the year ended March 31, 2018**Note 19: Other Equity**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Reserve	14,90,400	14,90,400	14,90,400
Securities Premium	2,26,16,151	2,26,16,151	2,26,16,151
General Reserve	9,66,955	9,66,955	9,66,955
Retained Earnings	9,80,65,163	8,37,15,026	6,93,49,066
Total	12,31,38,669	10,87,88,532	9,44,22,572

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

Nature and purpose of Other Equity:**(a) Capital Reserve**

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

(b) Securities Premium

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

(c) General Reserve

This represents appropriation of profit by the company.

(d) Retained Earnings

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

Note 20 : Non-Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Term loan from Banks			
Secured:			
HDFC Bank Limited	-	3,30,681	15,78,910
Total	-	3,30,681	15,78,910

Note 21 : Non-Current Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits - Gratuity (Refer Note 34)	25,68,144	22,94,111	23,25,364
Total	25,68,144	22,94,111	23,25,364

Note 22 : Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
From banks : - Secured (Refer Note 20)	3,93,760	12,91,639	11,47,627
Bank Overdraft : - Secured	-	10,778	-
Total	3,93,760	13,02,417	11,47,627

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Notes to Financial Statements for the year ended March 31, 2018**Note 23 : Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Creditors - clients [Refer Note 39]	29,24,37,219	21,40,06,067	20,43,19,066
Sharing of Brokerage payable	92,65,075	92,73,555	45,04,756
Outstanding Liabilities	1,75,303	2,12,551	1,00,327
Other Payables	59,44,345	77,57,256	50,00,458
Total	30,78,21,942	23,12,49,429	21,39,24,606

Note 24 : Current Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits - Gratuity (Refer Note 34)	1,46,590	1,12,629	1,08,283
Total	1,46,590	1,12,629	1,08,283

Note 25 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	-	(99,56,354)	-
Current Tax Liabilities	-	1,00,66,023	-
Total	-	1,09,669	-

Note 26: Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid dividend	16,14,211	15,39,949	15,21,362
Statutory remittances	39,67,031	21,47,094	11,35,636
Client margin deposits	48,97,270	41,98,698	36,77,485
Other deposits - Sub brokers	8,54,428	22,90,865	26,41,334
Total	1,13,32,939	1,01,76,606	89,75,817

Note 27: Revenue from Operations (Gross)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Income from broking operations	17,67,39,331	15,67,17,168
Other Operating Revenue	4,51,44,533	3,70,65,206
Total	22,18,83,864	19,37,82,374


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Notes to Financial Statements for the year ended March 31, 2018
Note 28 : Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend income	1,30,400	87,600
Interest income on deposits	1,41,05,354	1,83,42,207
Fair value gain on investments	-	73,442
Profit on sale of Property, plant and equipment	-	22,794
Profit on sale of securities	15,90,870	1,83,156
Profit on sale of investments in Mutual Funds	14,52,960	3,08,849
Total	1,72,79,584	1,90,18,048

Note 29 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and wages	4,28,73,658	3,33,03,398
Contribution to provident and other funds	24,17,515	11,08,269
Staff welfare expenses	4,86,147	4,60,110
Total	4,57,77,320	3,48,71,777

Note 30 : Finance Costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
- Working Capital	85,825	1,02,863
- Term Loan	95,195	2,06,376
- Others	20,83,401	21,29,858
Other borrowing costs	6,39,982	4,72,385
Total	29,04,403	29,11,482

Note 31 : Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating expenses:		
Transaction charges	2,54,05,571	2,21,21,519
Other operating expenses	81,83,214	67,32,378
Others:		
Power and fuel	10,81,111	8,10,526
Rent [Refer Note 36 and 37]	25,78,800	21,56,829
Repairs and maintenance	8,97,727	6,98,157
Insurance	1,63,650	1,56,375


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Notes to Financial Statements for the year ended March 31, 2018

Rates and taxes	28,23,474	15,21,150
Communication	10,10,075	8,19,967
Travelling and conveyance	3,86,416	1,63,251
Printing and stationary	11,67,303	10,11,054
Business promotion	4,84,925	3,16,026
Donations	3,00,000	2,15,000
Fair value loss on investments	17,12,738	-
Legal and professional	12,87,034	5,95,682
Auditor's remuneration:		
- Statutory audit	1,50,000	75,000
- Tax audit	50,000	15,000
- Certification	2,00,000	1,60,000
General and other administration expenses	27,62,398	25,89,543
Total	5,06,44,436	4,01,57,457

Note 32 : Income Tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	87,15,554	1,00,66,023
- Adjustments in respect of current income tax of previous year	-	1,51,259
	87,15,554	1,02,17,282
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(1,09,352)	3,09,016
	(1,09,352)	3,09,016
Income tax expense reported in the statement of profit or loss	86,06,202	1,05,26,298
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	2,93,42,165	2,98,76,989
Indian tax rate	27.55%	33.06%
Tax at the Indian tax rate	80,84,500	98,78,229
Effect of:		
Non-Deductible expenses for tax purposes	13,38,679	14,74,643
Tax exempt income	14,87,899	10,19,565
Income taxed at special rates	6,70,922	1,08,448
Others	-	84,544
Total Income Tax Expense	86,06,202	1,05,26,298

**Notes to Financial Statements for the year ended March 31, 2018****33. Contingent liabilities :**

i) Bank Guarantees :

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees	12,75,00,000	7,75,00,000

34. Employee Benefits :

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

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

Statement of profit and loss**Net employee benefit expenses recognized in the employee cost**

Particulars	March 31, 2018	March 31, 2017
Current service cost	1,92,635	1,60,529
Interest cost on benefit obligation	1,69,431	1,74,320
Past Service cost – vested benefits	-	-
Expected return on plan assets	-	(1,14,627)
Net actuarial loss/(gain) recognized in the year	2,77,398	98,435
Net benefit expense	6,39,464	3,18,657

Balance Sheet**Benefit liability**

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	(27,14,734)	(22,62,278)
Fair value of plan assets	14,76,392	13,38,149
Plan liability	12,38,342	9,24,129

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

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	22,62,278	21,78,994
Current service cost	1,92,635	1,60,529
Interest cost	1,69,431	1,74,320
Benefits paid	(2,88,779)	(3,50,000)
Actuarial gain/(losses) on obligation	3,79,169	(98,435)
Closing defined benefit obligation	27,14,734	22,62,278

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

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	13,38,149	15,73,522
Expected return	-	1,14,627
Contributions by employer	3,25,251	-
Benefits paid	(2,88,779)	(3,50,000)
Actuarial (losses)/gains	1,01,771	-
Closing fair value of plan assets	14,76,392	13,38,149

**Notes to Financial Statements for the year ended March 31, 2018**

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

Particulars	March 31, 2018	March 31, 2017
Discount rate (%)	8%	8%
Expected rate of return on assets (%)	8%	8%
Salary escalation (%)	4%	4%
Attrition rate (%)	5%	5%

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

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

35. Segment information

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

36. Related party disclosures :**a) Names of the related parties and nature of relationship as per IND AS 24 ::**

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

b) Transactions with related parties:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent paid :	9,60,000	9,60,000
- Chanda Devi Rathi	7,20,000	7,20,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration paid :	66,00,000	49,19,275
- Hari Narayan Rathi	36,00,000	31,49,275
- Chetan Rathi	30,00,000	17,70,000


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Notes to Financial Statements for the year ended March 31, 2018

Dividend paid :	23,08,954	18,47,163
- Hari Narayan Rathi	15,71,490	12,57,192
- Chetan Rathi	3,48,534	2,78,827
- Chanda Devi Rathi	2,62,406	2,09,925
- Nisha Rathi	1,26,524	1,01,219
Service rendered - Brokerage received :	2,35,770	89,821
- Hari Narayan Rathi	46,073	1,256
- Chetan Rathi	8,150	164
- Chanda Devi Rathi	18,294	301
- Nisha Rathi	20,043	46,774
- Govind Narayan Rathi	41,568	41,184
- Anuradha Pasari	4,937	142
- Hari Narayan Rathi HUF	96,707	-
Unsecured Loans Taken:	1,50,00,000	
- Hari Narayan Rathi	1,25,00,000	-
- Chetan Rathi	25,00,000	-
Unsecured Loans Repaid:	1,50,00,000	-
- Hari Narayan Rathi	1,25,00,000	-
- Chetan Rathi	25,00,000	-
Interest on Unsecured Loans:	4,19,178	-
- Hari Narayan Rathi	3,22,603	-
- Chetan Rathi	96,575	-
Sharing of Expenses:	79,22,341	1,26,42,408
- B. N. Rathi Comtrade Private Limited	79,22,341	1,26,42,408
Sharing of Expenses Recovered:	79,22,341	1,26,42,408
- B. N. Rathi Comtrade Private Limited	79,22,341	1,26,42,408
Shares Acquired:	1,55,000	-
- Chanda Devi Rathi	15,000	-
- Chetan Rathi	1,00,000	-
- Nisha Rathi	40,000	-
c) Related party balances:		
Particulars	As at March 31, 2018	As at March 31, 2017
Non-current investments:	1,50,00,000	1,50,00,000
- B. N. Rathi Industries Private Limited	50,00,000	50,00,000
- B. N. Rathi Comtrade Private Limited	1,00,00,000	1,00,00,000
Rent Deposit:	11,00,000	11,00,000
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000

**Notes to Financial Statements for the year ended March 31, 2018****37. Leases:****Operating Lease****Assets taken on cancellable operating lease**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cancellable	25,78,800	21,56,829
Total	25,78,800	21,56,829

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after taxation as per statement of profit and loss (for basic EPS)	2,07,35,963	1,93,50,691
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	2,07,35,963	1,93,50,691

(ii) Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	50,40,000	50,40,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Basic (Rs.)	4.11	3.84
- Diluted (Rs.)	4.11	3.84

39. Balance Confirmations

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

40. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2018 and March 31, 2017 in the financial statements based on information received and available with the company.

**Notes to Financial Statements for the year ended March 31, 2018**

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

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

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2018	March 31, 2017
Fair Value Hierarchy	1	1
Financial Assets		
Listed Equity Instruments	83,28,960	2,20,294
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets - Security Deposits	22,12,523	20,85,332
Financial Liabilities		
Borrowings	3,93,760	16,33,098


Notes to Financial Statements for the year ended March 31, 2018
iii. Financial Instruments by category

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

Particulars	31st March, 2018			31st March, 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity investments	83,28,960	-	-	2,20,294	-	-
Other investments	-	-	1,57,00,000	-	-	1,57,00,000
Trade receivable	-	-	6,75,17,805	-	-	8,79,34,528
Loans	-	-	17,80,85,785	-	-	15,06,00,000
Cash and cash equivalents	-	-	12,98,03,962	-	-	4,31,49,072
Other bank balances	-	-	7,38,57,134	-	-	8,78,04,958
Others	-	22,12,523	43,38,852	2,20,294	20,85,332	58,92,442
Total	83,28,960	22,12,523	46,93,03,538	2,0,294	20,85,332	39,10,81,000
Financial Liabilities						
Borrowings	-	3,93,760	-	-	16,33,098	-
Trade Payables	-	-	30,78,21,942	-	-	23,12,49,429
Total	-	3,93,760	30,78,21,942	-	16,33,098	23,12,49,429

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

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

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

**Notes to Financial Statements for the year ended March 31, 2018****43. Financial Instruments Risk Management****i. Market Risk**

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

a. Interest rate risk

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

b. Price Risk

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

c. Sensitivity analysis – Equity price risk

The table below summarizes the impact of increase/decrease of the equity indexes on the Company's profit for the period. The analysis is based on the assumption that the equity indexes had increased/decreased by 5% with all the other variables held constant and that of the company's equity instruments moved in line with the index.

Particulars	Impact on Profit or Loss [post tax]	
	March 31, 2018	March 31, 2017
Equity Index – Increase by 10%	3,12,336	7,710
Equity Index – Decrease by 10%	(3,12,336)	(7,710)

ii. Credit Risk

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

Ageing of receivables is as follows:

Particulars	March 31, 2018	March 31, 2017
Past due not impaired:		
0-30 Days	4,40,10,851	7,17,10,814
31-60 Days	1,63,32,815	1,34,65,749
61-90 Days	42,51,966	27,52,984
91-180 Days	29,22,173	3,821
Greater than 180 Days	-	1,159
Total	6,75,17,805	8,79,34,528

**Notes to Financial Statements for the year ended March 31, 2018****iii. Liquidity Risk**

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2018</u>				
Borrowings	3,93,760	-	-	3,93,760
Trade Payables	24,87,87,115	5,90,34,827	-	30,78,21,942
Total	24,91,80,875	5,90,34,827	-	30,82,15,702
<u>March 31, 2017</u>				
Borrowings	16,33,098	-	-	16,33,098
Trade Payables	18,71,20,499	4,41,28,929	-	23,12,49,429
Total	18,87,53,597	4,41,28,929	-	23,28,82,526

44. Capital Risk Management

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

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

Particulars	31st March, 2018	31st March, 2017
Non-Current Borrowings (Refer Note 20)	-	3,30,681
Current Borrowings (Refer Note 22)	3,93,760	13,02,417
Total Debt	3,93,760	16,33,098
As a percentage of total capital	0.23%	1.02%
Equity (Refer Note 18 and 19)	17,35,38,669	15,91,88,532
As a percentage of total capital	99.77%	98.98%
Total Capital (Debt and Equity)	17,39,32,429	16,08,21,630

**Notes to Financial Statements for the year ended March 31, 2018****45. First Time Adoption of Ind AS**

The company has adopted the Indian Accounting Standards (Ind AS) during the year and accordingly these are the company's first financial statements prepared in accordance with Ind AS.

As per the Ind AS 101 First time adoption of Indian Accounting Standards, first time adopter shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind ASs. This is the starting point for accounting in accordance with Ind AS. The date of transition for the company is April 01, 2016.

The accounting policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet at April 01, 2016, the date of transition. In preparing its comparative financial statements including opening balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out below.

a. Ind AS optional exemptions**(i) Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Investments in subsidiaries and associates

The Company has elected to measure its investments in subsidiaries at deemed cost. For certain subsidiaries, deemed cost is the fair value of the investment as at the date of transition to Ind AS. For others, deemed cost is the Previous GAAP carrying amount at that date.

b. Ind AS mandatory exemptions

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from previous GAAP:

(i) Classification and measurement of financial assets

Ind AS 101 requires an entity to classify and measure its financial asset into amortized cost, fair value through OCI or fair value through profit or loss based on the business model assessment or on solely payment of principal and interest (SPPI) criteria based on facts and circumstances that exist at the date of transition.

(ii) Estimates

Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind


Notes to Financial Statements for the year ended March 31, 2018

AS. Upon an assessment of the estimates made under previous GAAP, the company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

(iii) De-recognition of financial assets and liabilities

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

c. Reconciliation between previous GAAP and Ind AS:
(i) Reconciliation of Equity:

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity (shareholders' funds) under previous GAAP		15,91,30,013	13,99,81,156
Adjustments:			
Proposed dividend and related distribution tax	1	-	48,52,820
Fair value adjustments on investments	2	1,03,349	-
Recognition of borrowings using effective interest rate	3	(43,425)	(10,598)
Financial assets and liabilities (other than borrowings)	4	(1,405)	(809)
Total adjustments		58,520	48,41,416
Equity under IND AS GAAP		15,91,88,533	14,48,22,572

(ii) Reconciliation of Total Comprehensive Income:

Particulars	Note	As at March 31, 2017
Net profit for the year as per previous GAAP		1,91,48,907
Adjustments:		
Total effect of transition to Ind AS		2,01,784
Profit for the year as per Ind AS		1,93,50,691
Other comprehensive income [OCI]		
- Recognition of borrowings using effective interest rate	3	(32,827)
- Remeasurements of financial assets	4	(596)
- Remeasurements of post-employment benefit obligations	5	(98,435)
Total Comprehensive Income		1,92,18,833

- (iii) Changes in Cash Flow Statement for the year ended March 31, 2017:** The Ind AS adjustments are either non-cash adjustments or are re-grouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.


B.N. RATHI SECURITIES LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
(iv) Reconciliation of Balance Sheet as at April 01, 2016 and March 31, 2017:

Particulars	Note	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS	Previous GAAP	Effects of Transition to Ind-AS	IND AS
A ASSETS							
1 Non-Current Assets							
(a) Property, plant and equipment		47,48,361	-	47,48,361	28,39,154	-	28,39,154
(b) Intangible assets		73,463	-	73,463	2,49,123	-	2,49,123
(c) Financial Assets							
- Investments		1,50,00,000	-	1,50,00,000	1,50,00,000	-	1,50,00,000
- Loans		2,29,78,000	-	2,29,78,000	1,33,00,000	-	1,33,00,000
- Other non-current financial assets	4	-	1,74,429	1,74,429	-	3,16,315	3,16,315
(d) Deferred tax assets (Net)		29,03,459	-	29,03,459	25,94,443	-	25,94,443
(e) Other non-current assets	4	14,74,864	7,35,806	22,10,670	14,74,864	12,69,160	27,44,024
Total Non-Current Assets [A]		4,71,78,147	9,10,235	4,80,88,382	3,54,57,584	15,85,475	3,70,43,059
2 Current Assets							
(a) Financial Assets							
- Investments		16,69,207	-	16,69,207	8,16,945	1,03,349	9,20,294
- Loans		10,15,00,000	-	10,15,00,000	13,73,00,000	-	13,73,00,000
- Trade receivables		4,44,70,858	-	4,44,70,858	8,79,34,528	-	8,79,34,528
- Cash and cash equivalents		9,65,18,549	-	9,65,18,549	4,31,49,072	-	4,31,49,072
- Bank balances other than above		6,81,61,371	-	6,81,61,371	8,78,04,958	-	8,78,04,958
- Other current financial assets	4	82,28,883	(2,00,000)	80,28,883	80,11,459	(3,50,000)	76,61,459
(b) Income Taxes		5,76,400	-	5,76,400	-	-	-
(c) Other current assets	4	45,80,570	(7,11,041)	38,69,529	41,87,583	(12,36,880)	29,50,703
Total Current Assets [B]		32,57,05,838	(9,11,041)	32,47,94,797	36,92,04,545	(14,83,531)	36,77,21,014
TOTAL ASSETS [A + B]		37,28,83,985	(806)	37,28,83,179	40,46,62,129	1,01,944	40,47,64,073
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share Capital		5,04,00,000	-	5,04,00,000	5,04,00,000	-	5,04,00,000
(b) Other Equity		8,95,81,156	48,41,416	9,44,22,572	10,87,30,013	58,519	10,87,88,532
Total Equity [A]		13,99,81,156	48,41,416	14,48,22,572	15,91,30,013	58,519	15,91,88,532
2 Non-Current Liabilities							
(a) Financial Liabilities							
- Borrowings		15,78,910	-	15,78,910	3,30,681	-	3,30,681
(b) Provisions		23,25,364	-	23,25,364	22,94,111	-	22,94,111
Total Non-Current Liabilities [B]		39,04,274	-	39,04,274	26,24,792	-	26,24,792
3 Current Liabilities							
(a) Financial Liabilities							
- Borrowings	3	11,37,029	10,598	11,47,627	12,58,992	43,425	13,02,417
- Trade payables		21,39,24,606	-	21,39,24,606	23,12,49,429	-	23,12,49,429
(b) Provisions		1,08,283	-	1,08,283	1,12,629	-	1,12,629
(c) Income Taxes		-	-	-	1,09,669	-	1,09,669
(d) Other current liabilities	1	1,38,28,637	(48,52,820)	89,75,817	1,01,76,606	-	1,01,76,606
Total Current Liabilities [C]		22,89,98,555	(48,42,222)	22,41,56,333	24,29,07,324	43,425	24,29,50,749
TOTAL EQUITY AND LIABILITIES [A + B + C]		37,28,83,985	(807)	37,28,83,179	40,46,62,129	1,01,944	40,47,64,073


Notes to Financial Statements for the year ended March 31, 2018
(v) Reconciliation of Net Profit for the year ended March 31, 2017:

Particulars	Note	For the year ended March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS
I REVENUE				
Revenue from Operations (Gross)		19,37,82,374	-	19,37,82,374
Other Income	2	1,89,44,606	73,442	1,90,18,048
TOTAL REVENUE [I]		21,27,26,980	73,442	21,28,00,422
II EXPENSES				
Employee benefit expenses	5	3,49,70,212	(98,435)	3,48,71,777
Finance costs		29,11,482	-	29,11,482
Depreciation and amortization expense		30,58,273	-	30,58,273
Other expenses	2	4,01,87,364	(29,907)	4,01,57,457
Share of brokerage		10,19,24,444	-	10,19,24,444
TOTAL EXPENSES [II]		18,30,51,775	(1,28,342)	18,29,23,433
III Profit Before Tax [I-II]		2,96,75,205	2,01,784	2,98,76,989
IV Tax Expense:				
- Current tax		1,00,66,023	-	1,00,66,023
- Adjustment of current tax relating to earlier years		1,51,259	-	1,51,259
- Deferred tax credit		3,09,016	-	3,09,016
V Profit for the year		1,91,48,907	2,01,784	1,93,50,691
VI Other Comprehensive Income				
- Remeasurements of post-employment benefit obligations	5	-	(98,435)	(98,435)
- Remeasurements of financial assets	4	-	(596)	(596)
- Recognition of borrowings using effective interest rate	3	-	(32,827)	(32,827)

d. Notes to first time adoption
1. Proposed Dividend and related distribution tax

Under Previous GAAP, proposed dividends are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

2. Investments

Under Previous GAAP, equity instruments and mutual funds were classified as non-current and current investments based on the intended holding period and realizability. Non-current investments are carried at cost. Provision for diminution in the value of non-current investments is made in case the decline in the value is not temporary in nature. Current investments are stated at lower of cost or fair value.

**Notes to Financial Statements for the year ended March 31, 2018**

Under Ind AS, investments are valued at fair value. The resulting fair value changes in investments measured at fair value through profit and loss (FVTPL), have been recognized in retained earnings as at the transition date and subsequently in the statement of profit and loss.

3. Borrowing using effective interest rate

Under Previous GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortized upfront and charged to the statement of profit or loss for the period. Under Ind AS, such expenditure is considered for calculating effective interest rate. The impact for the periods up-to the date of transition is adjusted with the retained earnings.

4. Other Financial Assets

Under Previous GAAP, interest free lease security deposits paid/received and interest free loans and advances to employee are reported at their transaction values. Under Ind AS, interest free security deposits, loans and advances are measured at fair value on initial recognition and at amortized cost on subsequent recognition. The difference between the transaction value and fair value of the lease deposit, employee loans and advances at initial recognition is treated as prepaid/advance rentals and prepaid employee cost respectively. The amount pertaining to the period put- the date of transition is recognized in retained earnings on a straight-line basis over the lease and loan term.

5. Remeasurement of post-employment benefit expenses

Under Ind AS remeasurement i.e., actuarial gains and losses and the return on plan assets, if any, excluding amount included in the net interest expenses on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP these remeasurements were forming part of profit or loss for the year.

6. Cash and cash equivalents

Under Ind AS, bank overdrafts which are repayable on demand and forming an integral part of an entity's cash management are included as a component of cash and cash equivalents for the purpose of Cash Flow Statement. However, for presentation purpose bank overdrafts are shown current liabilities in the balance sheet. Under previous GAAP, bank overdrafts were shown as part of financing activities and not considered as cash and cash equivalents.

As per our Report of even date.

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

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

T. Bharadwaj
Partner
Membership No. 201042

Laxminiwas Sharma
Chairman
DIN : 00010899

Harinarayan Rathi
Managing Director
DIN : 00010968

Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 17.05.2018

Sabitha Reddy
Company Secretary

M.V. Rao
Compliance Officer



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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of B. N. Rathi Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
 - e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Group does not have any pending litigations which would impact its financial position.
 - ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

For Seshachalam & Co.,

Chartered Accountants

Firm Registration Number. 003714S

T. Bharadwaj

Partner

Membership No. 201042

Place : Hyderabad

Date : 17.05.2018



ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

In conjunction with our audit of the consolidated Ind As financial statements of the Group as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of B.N.Rathi Securities Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies, as adopted by each company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

T. Bharadwaj
Partner
Membership No. 201042

Place : Hyderabad
Date : 17.05.2018



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

2. Significant Accounting Policies:

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

a) Statement of Compliance:

The Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, read with section 133 of the Companies Act 2013, with effect from April 01, 2017.

The adoption was carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. Previous period comparatives in the consolidated financial statements have been restated to Ind AS, in accordance with Ind AS 101. The Group has presented a reconciliation from the presentation of financials statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 01, 2016 and of the total comprehensive income for the year ended March 31, 2017.

b) Basis of preparation:

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

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

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

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

Name of the consolidating entities	Country of Incorporation	Percentage Holding/Interest (%)	
		As at March 31, 2018	As at March 31, 2017
B N Rathi Comtrade Private Limited	India	100.00	100.00
B. N. Rathi Industries Private Limited	India	100.00	100.00

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

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

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

d) Current versus non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or,
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or,
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) Property, plant and equipment:**i. Recognition and initial measurement:**

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

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



ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

iv. Transition to Ind AS:

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

f) Intangible Assets:

i. Recognition and initial measurement:

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

ii. Amortization and estimated useful lives:

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

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

iii. Transition to Ind AS:

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

g) Impairment of assets:

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

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



h) Revenue Recognition:

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

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

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

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

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

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

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

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

i) Leases:

Where the lessor effectively retains all risk and benefits of ownership of the leased items, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis.

j) Financial Instruments:

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

- a. Debt instruments at amortized cost – A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

De-recognition of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

De-recognition of financial liabilities

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



c. Offsetting financial instruments

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

k) Borrowing costs:

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

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

l) Employee Benefits:

a. Short-term benefit plans

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

b. Defined contribution plans

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

c. Defined benefit plans

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

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

m) Income Taxes:

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



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

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

n) Provisions, contingent liabilities and contingent assets:

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

Contingent liability is disclosed for:

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

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

o) Cash and cash equivalents:

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

p) Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.



q) Earnings per share:

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

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

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipment	3	34,74,641	31,15,994	54,24,606
(b) Intangible assets	4	63,678	2,49,123	73,463
(c) Financial Assets				
- Investments	5	45,00,000	-	-
- Loans	6	1,86,00,000	1,88,00,000	2,84,78,000
- Other non-current financial assets	7	3,80,608	3,16,315	1,74,429
(d) Deferred tax assets (Net)	8	30,80,744	30,07,829	33,93,448
(e) Other non-current assets	9	29,76,187	27,44,024	22,10,670
Total Non-Current Assets [A]		3,30,75,858	2,82,33,285	3,97,54,616
2 Current Assets				
(a) Financial Assets				
- Investments	10	90,28,960	89,65,974	16,69,207
- Loans	11	17,26,76,834	14,75,11,626	12,26,50,350
- Trade receivables	12	11,14,64,106	13,16,19,478	8,81,76,076
- Cash and cash equivalents	13	16,04,43,914	7,21,62,315	9,90,13,282
- Bank balances other than above	14	11,76,07,134	13,60,54,958	12,30,72,718
- Other current financial assets	15	69,57,618	85,77,852	88,68,787
(b) Income Taxes	16	12,00,482	-	5,11,642
(c) Other current assets	17	60,69,324	35,62,808	43,34,929
Total Current Assets [B]		58,54,48,373	50,84,55,011	44,82,96,991
TOTAL ASSETS [A+B]		61,85,24,230	53,66,88,295	48,80,51,607
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	18	5,04,00,000	5,04,00,000	5,04,00,000
(b) Other Equity	19	15,31,05,818	13,23,23,111	11,19,77,811
Total Equity [A]		20,35,05,818	18,27,23,111	16,23,77,811
2 Non-Current Liabilities				
(a) Financial Liabilities				
- Borrowings	20	-	3,30,681	15,78,910
(b) Provisions	21	25,68,144	22,94,111	23,25,364
Total Non-Current Liabilities [B]		25,68,144	26,24,792	39,04,274
3 Current Liabilities				
(a) Financial Liabilities				
- Borrowings	22	3,96,490	13,02,417	11,47,627
- Trade payables	23	39,90,30,902	33,78,54,606	30,99,68,799
(b) Provisions	24	1,46,590	1,12,629	1,08,283
(c) Income Taxes	25	-	5,76,921	-
(d) Other current liabilities	26	1,28,76,286	1,14,93,820	1,05,44,813
Total Current Liabilities [C]		41,24,50,268	35,13,40,392	32,17,69,522
TOTAL EQUITY AND LIABILITIES [A+B+C]		61,85,24,230	53,66,88,295	48,80,51,607
Corporate information	1			
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Accompanying notes forming an integral part of the financial statements	1 to 44			

As per our Report of even date.

For **SESHACHALAM & CO.,**
Chartered AccountantsFor and on behalf of the Board of Directors of
B.N. RATHI SECURITIES LIMITED

Firm Registration Number : 003714S

T. Bharadwaj
Partner
Membership No. 201042**Laxminiwas Sharma**
Chairman
DIN : 00010899**Harinarayan Rathi**
Managing Director
DIN : 00010968**Chetan Rathi**
Executive Director-cum-CFO
DIN : 00536441Place : Hyderabad
Date : 17.05.2018**Sabitha Reddy**
Company Secretary**M.V. Rao**
Compliance Officer


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, 2018

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I REVENUE			
Revenue from Operations (Gross)	27	27,40,95,836	26,28,93,887
Other Income	28	2,29,68,553	2,43,06,025
TOTAL REVENUE [I]		29,70,64,389	28,71,99,912
II EXPENSES			
Employee benefit expenses	29	5,43,67,699	4,70,68,109
Finance costs	30	32,58,787	32,88,201
Depreciation and amortization expense	3 & 4	23,97,605	34,35,154
Other expenses	31	6,82,07,817	6,08,82,557
Share of brokerage		13,07,56,148	13,38,21,754
TOTAL EXPENSES [II]		25,89,88,057	24,84,95,775
III Profit Before Tax		3,80,76,332	3,87,04,137
IV Tax Expense:			
- Current tax	32	1,09,80,714	1,28,37,228
- Adjustment of current tax relating to earlier years	32	-	1,51,259
- Deferred tax credit	32	(72,915)	3,85,619
V Profit for the year		2,71,68,533	2,53,30,031
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(2,77,398)	(98,435)
- Remeasurements of financial assets		(712)	(596)
- Recognition of borrowings using effective interest rate		(19,670)	(32,827)
Other comprehensive income for the year, net of tax		2,68,70,754	2,51,98,173
VII Earnings per equity share Rs. 10/- each fully paid			
- Basic	38	5.39	5.03
- Diluted	38	5.39	5.03
Corporate information	1		
summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 44		

As per our Report of even date.

For **SESHACHALAM & CO.,**
Chartered Accountants

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

Firm Registration Number : 003714S

T. Bharadwaj
Partner
Membership No. 201042

Laxminiwas Sharma
Chairman
DIN : 00010899

Harinarayan Rathi
Managing Director
DIN : 00010968

Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 17.05.2018

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, 2018

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	3,80,76,332	3,87,04,137
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	23,97,605	34,35,154
Interest expense	32,58,787	32,88,201
Fair value loss on investments	17,12,738	-
Profit on sale of property, plant and equipment	(99,353)	(22,794)
Loss on sale of plant, property & equipment	-	16,024
Excess provision written back	(92,367)	-
Remeasurement of post employee benefits	(2,77,398)	(98,435)
Profit on sale of securities	(15,90,870)	(1,83,156)
Profit on sale of investments in mutual funds	(19,93,784)	(3,08,849)
Fair value gain on investments	-	(1,19,122)
Dividend income	(1,30,400)	(87,600)
Interest income	(1,87,81,317)	(2,33,81,738)
Cash generated before working capital changes	2,24,79,974	2,12,41,823
Movements in working capital:		
Increase/(Decrease) in trade payables	6,11,76,296	2,78,85,806
Increase/(Decrease) in other current liabilities	14,74,863	9,49,006
Increase/(Decrease) in long term provisions	2,74,033	(31,253)
Increase/(Decrease) in short term provisions	33,961	4,346
(Increase)/Decrease in trade receivables	2,01,55,372	(4,34,43,402)
(Increase)/Decrease in other non-current financial assets	(65,005)	(1,42,482)
(Increase)/Decrease in non-current loans	2,00,000	96,78,000
(Increase)/Decrease in current loans	(2,51,65,208)	(2,48,61,276)
(Increase)/Decrease in other non-current assets	(2,32,163)	(5,33,354)
(Increase)/Decrease in other current financial assets	16,20,234	2,90,935
(Increase)/Decrease in other current assets	(25,06,516)	7,72,121
Cash generated from operations	7,94,45,841	(81,89,730)
Income taxes paid	(1,27,58,117)	(1,18,99,924)
Net cash flow (used in)/from operating activities (A)	6,66,87,724	(2,00,89,654)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets	(25,71,485)	(13,32,432)
Net (Purchase)/Sale of current investments	35,21,668	(68,04,762)
(Investment)/Redemption of bank deposits	1,84,47,824	(1,29,82,240)
Investments	(45,00,000)	-
Proceeds from sale of property, plant and equipment	1,00,000	37,000
Dividend received	1,30,400	87,600
Fair Value Gain/(Loss) on investments	(17,12,738)	1,19,122
Interest received	1,87,81,317	2,33,81,738
Net cash flow (used in)/from investing activities [B]	3,21,96,986	25,06,027


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

C. CASH FLOWS FROM FINANCING ACTIVITIES

(Repayment of)/Proceeds from long term borrowings	(3,30,681)	(12,48,229)
(Repayment of)/Proceeds from short term borrowings	(9,17,548)	1,11,185
Dividends paid on equity shares and tax on equity dividend paid	(60,88,047)	(48,52,873)
Interest paid	(32,58,787)	(32,88,201)

Net cash flow (used in)/from financing activities [C]	(1,05,95,063)	(92,78,118)
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D. Net increase/(decrease) in cash and cash equivalents [A+B+C]

	8,82,89,647	(2,68,61,745)
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E. Cash and cash equivalents

at the beginning of the year	13	7,21,51,537	9,90,13,282
at the end of the year		16,04,41,184	7,21,51,537

Components of cash and cash equivalents

Balance with banks			
- In current accounts		13,09,16,100	3,01,45,441
- Deposits with original maturity of less than 3 months		2,95,00,000	4,20,00,000
Cash on hand		27,814	16,874
Less: Bank overdraft		(2,730)	(10,778)

Cash and cash equivalents at the end of the year		16,04,41,184	7,21,51,537
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Corporate information
summary of significant accounting policies
Accompanying notes forming an integral part of the
financial statements

1
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1 to 44

As per our Report of even date.

For **SESHACHALAM & CO.,**
Chartered Accountants

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

Firm Registration Number : 003714S

T. Bharadwaj
Partner
Membership No. 201042

Laxminiwas Sharma
Chairman
DIN : 00010899

Harinarayan Rathi
Managing Director
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Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 17.05.2018

Sabitha Reddy
Company Secretary

M.V. Rao
Compliance Officer

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Statement of Changes in Equity for the year ended March 31, 2018****A. Equity Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>			
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	-	-	-
Balance at the end of the reporting year	5,04,00,000	5,04,00,000	5,04,00,000

B. Other Equity

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 01, 2016
<i>Movement in other equity is as follows:</i>			
I. Capital Reserve	14,90,400	14,90,400	14,90,400
II. Securities Premium	2,26,16,151	2,26,16,151	2,26,16,151
III. General Reserve	11,46,655	11,46,655	11,46,655
IV. Retained Earnings			
(i) Opening Balance	10,70,69,905	8,67,24,605	8,18,83,188
(ii) Profit for the year	2,71,68,533	2,53,30,031	-
(iii) Other comprehensive income	(2,97,779)	(1,31,858)	-
(iv) Proposed dividend and tax on the same	(60,88,047)	(48,52,873)	48,52,824
	12,78,52,612	10,70,69,905	8,67,24,605
Total	15,31,05,818	13,23,23,111	11,19,77,811

As per our Report of even date.

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

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

T. Bharadwaj
Partner
Membership No. 201042

Laxminiwas Sharma
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Company Secretary

M.V. Rao
Compliance Officer

Place : Hyderabad
Date : 17.05.2018


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 3: Property, plant and equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Furniture and Fittings	2,34,161	4,33,142	5,27,698
Motor Vehicles	24,61,154	19,28,279	37,99,574
Computers and Data Processing Units	4,38,876	3,36,662	3,89,601
Office Equipment	3,40,450	4,17,911	7,07,733
Total	34,74,641	31,15,994	54,24,606

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
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For the year 2017-18

I. Gross Block					
Opening Balance	29,38,615	75,96,410	21,79,033	23,41,631	1,50,55,689
Additions	23,400	17,36,810	5,93,915	2,17,360	25,71,485
Disposals	-	6,09,216	-	-	6,09,216
Balance as at March 31, 2018	29,62,015	87,24,004	27,72,948	25,58,991	1,70,17,958
II. Accumulated Depreciation					
Opening Balance	25,05,473	56,68,131	18,42,371	19,23,720	1,19,39,695
Depreciation expense for the year	2,22,381	12,03,257	4,91,701	2,94,820	22,12,160
Eliminated on disposal of assets	-	6,08,538	-	-	6,08,538
Balance as at March 31, 2018	27,27,854	62,62,850	23,34,072	22,18,541	1,35,43,317
III. Net Block [I-II]					
Carrying value as at March 31, 2018	2,34,161	24,61,154	4,38,876	3,40,450	34,74,641
Carrying value as at March 31, 2017	4,33,142	19,28,279	3,36,662	4,17,911	31,15,994

For the year 2016-17

I. Gross Block					
Opening Balance	29,85,815	81,07,130	28,00,776	46,46,268	1,85,39,989
Additions	2,74,057	-	4,50,064	2,21,600	9,45,721
Disposals	3,21,257	5,10,720	10,71,807	25,26,237	44,30,021
Balance as at March 31, 2017	29,38,615	75,96,410	21,79,033	23,41,631	1,50,55,689
II. Accumulated Depreciation					
Opening Balance	24,58,117	43,07,556	24,11,175	39,38,535	1,31,15,383
Depreciation expense for the year	3,52,518	18,71,295	5,03,003	4,97,287	32,24,103
Eliminated on disposal of assets	3,05,162	5,10,720	10,71,807	25,12,102	43,99,791
Balance as at March 31, 2017	25,05,473	56,68,131	18,42,371	19,23,720	1,19,39,695
III. Net Block [I-II]					
Carrying value as at March 31, 2017	4,33,142	19,28,279	3,36,662	4,17,911	31,15,994
Carrying value as at April 01, 2016	5,27,698	37,99,574	3,89,601	7,07,733	54,24,606


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Notes to Financial Statements for the year ended March 31, 2018
Note 4 : Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Computer Software	63,678	2,49,123	73,463
Total	63,678	2,49,123	73,463

	Description of Assets	Computer Software
For the year 2017-18		
I.	Gross Block	
	Opening Balance	8,25,763
	Additions	-
	Disposals	-
	Balance as at March 31, 2018	8,25,763
II.	Accumulated Amortization	
	Opening Balance	5,76,640
	Amortization expense for the year	1,85,445
	Eliminated on disposal of assets	-
	Balance as at March 31, 2018	7,62,085
III.	Net Block [I-II]	
	Carrying value as at March 31, 2018	63,678
	Carrying value as at March 31, 2017	2,49,123
For the year 2016-17		
I.	Gross Block	
	Opening Balance	6,80,411
	Additions	3,86,711
	Disposals	2,41,359
	Balance as at March 31, 2017	8,25,763
II.	Accumulated Amortization	
	Opening Balance	6,06,948
	Amortization expense for the year	2,11,051
	Eliminated on disposal of assets	2,41,359
	Balance as at March 31, 2017	5,76,640
III.	Net Block [I-II]	
	Carrying value as at March 31, 2017	2,49,123
	Carrying value as at April 01, 2016	73,463


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Notes to Financial Statements for the year ended March 31, 2018
Note 5 : Non current investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Unquoted Investments			
(a) Other Investments :			
BNR Food Specialities LLP	45,00,000	-	-
Total	45,00,000	-	-

Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	45,00,000	-	-
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at cost	45,00,000	-	-
Investments carried at amortized cost	-	-	-
Investments carried at fair value through profit and loss	-	-	-

Note 6 : Non-Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security Deposits			
- Security Deposits with Stock Exchanges/ Clearing Houses	1,86,00,000	1,88,00,000	2,84,78,000
Total	1,86,00,000	1,88,00,000	2,84,78,000

Note 7 : Other Non-current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	3,80,608	3,16,315	1,74,429
Total	3,80,608	3,16,315	1,74,429

Note 8 : Deferred Tax Asset (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Depreciation	23,32,767	23,44,712	25,88,811
Employee Benefits	7,47,977	6,63,117	8,04,637
Total	30,80,744	30,07,829	33,93,448

Note 9 : Other Non-Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	14,74,864	14,74,864	14,74,864
Prepaid Expenses	15,01,323	12,69,160	7,35,806
Total	29,76,187	27,44,024	22,10,670


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Notes to Financial Statements for the year ended March 31, 2018
Note 10 : Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in equity instruments (fully paid-up)			
(i) Quoted Investments			
- Vantel Technologies Limited [Nil (31.03.2017: 20,345) equity shares of face value Rs.1 each]	-	-	29,907
- Hinduja Ventures [Nil (31.03.2017:Nil) equity shares of face value Rs.10 each]	-	-	8,39,300
- BSE Limited [200 (31.03.2017: 200) equity shares of face value Rs. 10 each]	1,46,510	1,95,530	-
- Canara Bank [NIL (31.03.2017:75) equity shares of face value Rs.10 each]	-	22,725	-
- IP Rings Limited [NIL (31.03.2017:16) equity shares of face value Rs.10 each]	-	2,039	-
- Aurobindo Pharma Limited [2,000 (31.03.2017:NIL) equity shares of face value Rs.1 each]	11,00,700	-	-
- Deepak Fertilizers & Petrochemicals Corporation Ltd [2,000 (31.03.2017:NIL) equity shares of face value Rs.10 each]	5,90,900	-	-
- The India Cements Limited [5,000 (31.03.2017:NIL) equity shares of face value Rs.10 each]	7,06,250	-	-
- MIRC Electronics Limited [30,000 (31.03.2017:NIL) equity shares of face value Rs.1 each]	13,77,000	-	-
- NCC Limited [5,000 (31.03.2017:NIL) equity shares of face value Rs.2 each]	5,91,750	-	-
- Ramco Industries Limited [7,000 (31.03.2017:NIL) equity shares of face value Rs. 1 each]	16,13,850	-	-
- Rashtriya Chemicals and Fertilizers Ltd [30,000 (31.03.2017:NIL) equity shares of face value Rs.10 each]	22,02,000	-	-
(ii) Investments in Mutual Funds (FVTPL)			
- Birla Sun Life Mutual Fund [Nil (31.03.2017 : 30,884.96) Units of Rs. 100 each]	-	80,45,680	-


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Notes to Financial Statements for the year ended March 31, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(iii) Unquoted Investments			
(a) Other Investments:			
- Mahesh Vidya Bhavan Limited [20,000 (31.03.2017: 20,000) equity shares of face value Rs.10 each]	2,00,000	2,00,000	2,00,000
- Bombay Stock Exchange [Nil (31.03.2017: Nil) equity shares of face value Rs.10 each]	-	-	1,00,000
- Sevenhills Co-op Bank Limited [5,000 (31.03.2017: 5,000) equity shares of face value Rs.10 each]	5,00,000	5,00,000	5,00,000
Total	90,28,960	89,65,974	16,69,207

Aggregate amount of quoted investments and market value thereof	83,28,960	82,65,974	8,69,207
Aggregate amount of unquoted investments	7,00,000	7,00,000	8,00,000
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at cost	7,00,000	7,00,000	8,00,000
Investments carried at amortized cost	-	-	-
Investments carried at fair value through profit and loss	83,28,960	82,65,974	8,69,207

Note 11 : Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security margin money with Stock Exchanges/ Clearing Houses	16,64,26,834	13,87,61,626	10,26,50,350
Margin with exchanges	62,50,000	87,50,000	2,00,00,000
Total	17,26,76,834	14,75,11,626	12,26,50,350

Note 12 : Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Outstanding for a period exceeding six months	4,36,30,486	4,36,31,645	4,36,30,613
Others (Refer Note 39)	6,78,33,620	8,79,87,833	4,45,45,463
Total	11,14,64,106	13,16,19,478	8,81,76,076

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Notes to Financial Statements for the year ended March 31, 2018**Note 13 : Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with Banks			
- In current Accounts	13,09,16,100	3,01,45,441	8,79,73,582
- Deposits with original maturity of less than 3 months	2,95,00,000	4,20,00,000	1,10,00,000
Cash on Hand	27,814	16,874	39,700
Total	16,04,43,914	7,21,62,315	9,90,13,282

Note 14 : Bank Balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) In earmarked accounts			
- Unpaid dividend accounts	16,24,211	15,49,949	15,31,362
(ii) On deposit accounts			
- Remaining maturity for more than 12 months	-	43,00,000	3,75,00,000
- Remaining maturity for less than 12 months	11,59,82,923	13,02,05,009	8,40,41,356
Total	11,76,07,134	13,60,54,958	12,30,72,718

Note 15 : Other current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	18,31,915	17,69,017	19,78,014
Interest accrued but not due	49,00,203	63,98,835	67,27,773
Advance to employees	2,25,500	4,10,000	1,63,000
Total	69,57,618	85,77,852	88,68,787

Note 16 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	1,21,81,195	-	1,09,52,355
Current Tax Liabilities	1,09,80,713	-	1,04,40,713
Total	12,00,482	-	5,11,642

Note 17 : Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid Expenses	2,11,984	4,69,977	2,58,513
Balance with government authorities (other than income taxes)	7,91,917	4,70,918	5,15,373
Other current assets	50,65,423	26,21,913	35,61,043
Total	60,69,324	35,62,808	43,34,929


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Notes to Financial Statements for the year ended March 31, 2018
Note 18 : Share Capital

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Issued, subscribed and fully paid:						
Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000	50,40,000	5,04,00,000
Total	50,40,000	5,04,00,000	50,40,000	5,04,00,000	50,40,000	5,04,00,000

(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
Equity shares				
Year ended March 31, 2018				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
Year ended March 31, 2017				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
Year ended March 31, 2017				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000

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

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

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
Equity shares of Rs.10/- each fully paid						
Hari Narayan Rathi	15,71,490	31.18%	15,71,490	31.18%	15,71,490	31.18%
Chetan Rathi	4,48,534	8.90%	3,48,534	6.92%	3,48,534	6.92%
Chanda Devi Rathi	2,77,406	5.50%	2,62,406	5.21%	2,62,406	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.

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Notes to Financial Statements for the year ended March 31, 2018**Note 19: Other Equity**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Reserve	14,90,400	14,90,400	14,90,400
Securities Premium	2,26,16,151	2,26,16,151	2,26,16,151
General Reserve	11,46,655	11,46,655	11,46,655
Retained Earnings	12,78,52,612	10,70,69,905	8,67,24,605
Total	15,31,05,818	13,23,23,111	11,19,77,811

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

Nature and purpose of Other Equity:**(a) Capital Reserve**

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

(b) Securities Premium

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

(c) General Reserve

This represents appropriation of profit by the company.

(d) Retained Earnings

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

Note 20 : Non-Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Term loan from Banks			
Secured:			
HDFC Bank Limited	-	3,30,681	15,78,910
Total	-	3,30,681	15,78,910

Note 21 : Non-Current Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits - Gratuity (Refer Note 34)	25,68,144	22,94,111	23,25,364
Total	25,68,144	22,94,111	23,25,364

Note 22 : Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
From banks : - Secured (Refer Note 20) 3	3,93,760	12,91,639	11,47,627
Bank Overdraft : - Secured	2,730	10,778	-
Total	3,96,490	13,02,417	11,47,627

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Notes to Financial Statements for the year ended March 31, 2018**Note 23 : Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Creditors - Clients [Refer Note 39]	33,70,34,364	27,30,58,942	25,24,42,962
Creditors - NSEL	4,36,32,253	4,36,32,253	4,36,32,253
Sharing of Brokerage payable	1,09,73,330	1,15,95,141	71,32,368
Creditors - Suppliers and Other Services	12,61,307	15,88,463	16,50,432
Outstanding Liabilities	1,75,303	2,12,551	1,00,327
Other Payables	59,54,345	77,67,256	50,10,458
Total	39,90,30,902	33,78,54,606	30,99,68,799

Note 24 : Current Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits - Gratuity (Refer Note 34)	1,46,590	1,12,629	1,08,283
Total	1,46,590	1,12,629	1,08,283

Note 25 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	-	1,22,60,307	-
Current Tax Liabilities	-	1,28,37,228	-
Total	-	5,76,921	-

Note 26: Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid dividend	16,14,211	15,39,949	15,21,362
Statutory remittances	50,48,332	28,03,214	22,34,341
Client margin deposits	52,93,486	45,47,277	38,99,429
Other payables	-	9,667	8,107
Other deposits - Sub brokers	9,20,257	25,93,713	28,81,574
Total	1,28,76,286	1,14,93,820	1,05,44,813

Note 27: Revenue from Operations (Gross)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income from broking operations	21,43,15,490	20,75,65,925
Other Operating Revenue	5,97,80,346	5,53,27,962
Total	27,40,95,836	26,28,93,887


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Notes to Financial Statements for the year ended March 31, 2018
Note 28 : Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend income	1,30,400	87,600
Interest income on deposits	1,87,81,317	2,33,81,738
Fair value gain on investments	-	1,19,122
Profit on sale of Property, plant and equipment	99,353	22,794
Profit on sale of securities	15,90,870	1,83,156
Miscellaneous Income	2,80,462	2,02,766
Excess provision written back	92,367	-
Profit on sale of investments in Mutual Funds	19,93,784	3,08,849
Total	2,29,68,553	2,43,06,025

Note 29 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and wages	5,14,64,037	4,54,99,730
Contribution to provident and other funds	24,17,515	11,08,269
Staff welfare expenses	4,86,147	4,60,110
Total	5,43,67,699	4,70,68,109

Note 30 : Finance Costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
- Working Capital	1,09,755	1,29,092
- Term Loan	95,195	2,06,376
- Others	20,83,401	21,29,858
- Delayed remittance of Income tax	28,673	938
Other borrowing costs	9,41,763	8,21,937
Total	32,58,787	32,88,201


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Notes to Financial Statements for the year ended March 31, 2018
Note 31 : Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating expenses:		
Transaction charges	3,79,71,198	3,72,54,537
Other operating expenses	92,63,214	79,32,378
Others:		
Power and fuel	15,19,059	13,43,095
Rent [Refer Note 36 and 37]	30,40,800	27,35,829
Repairs and maintenance	11,94,800	13,16,897
Insurance	1,83,420	1,74,765
Rates and taxes	30,53,327	18,97,856
Communication	20,46,332	19,15,576
Travelling and conveyance	4,34,746	1,71,440
Printing and stationary	11,67,303	10,11,054
Business promotion	5,35,063	3,38,028
Donations	5,00,000	3,40,000
Fair value loss on investments	17,12,738	-
Advertisement Expenses	7,500	-
Legal and professional	17,31,734	8,07,446
Auditor's remuneration:		
- Statutory audit	2,45,000	1,35,000
- Tax audit	65,000	25,000
- Certification	2,00,000	1,75,000
Balances written off	1,12,439	96,632
Loss on sale of Property, plant and equipment	-	16,024
General and other administration expenses	32,24,144	31,96,000
Total	6,82,07,817	6,08,82,557

Note 32 : Income Tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	1,09,80,714	1,28,37,228
- Adjustments in respect of current income tax of previous year	-	1,51,259
	1,09,80,714	1,29,88,487
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(72,915)	3,85,619
	(72,915)	3,85,619
Income tax expense reported in the statement of profit or loss	1,09,07,799	1,33,74,106


Notes to Financial Statements for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	3,80,86,333	3,87,04,137
Indian tax rate	27.55%	33.06%
Tax at the Indian tax rate	1,03,38,786	1,26,05,817
Effect of:		
Non-Deductible expenses for tax purposes	15,06,577	17,11,568
Tax exempt income	17,29,307	11,22,156
Income taxed at special rates	7,91,743	1,08,448
Others	-	70,428
Total Income Tax Expense	1,09,07,799	1,33,74,106

33. Contingent liabilities :

i) Bank Guarantees :

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees	15,65,00,000	10,65,00,000

34. Employee Benefits :

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

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

Statement of profit and loss
Net employee benefit expenses recognized in the employee cost

Particulars	March 31, 2018	March 31, 2017
Current service cost	1,92,635	1,60,529
Interest cost on benefit obligation	1,69,431	1,74,320
Past Service cost – vested benefits	-	-
Expected return on plan assets	-	(1,14,627)
Net actuarial loss/(gain) recognized in the year	2,77,398	98,435
Net benefit expense	6,39,464	3,18,657

Balance Sheet
Benefit liability

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	(27,14,734)	(22,62,278)
Fair value of plan assets	14,76,392	13,38,149
Plan liability	12,38,342	9,24,129

**Notes to Financial Statements for the year ended March 31, 2018****Changes in the present value of the defined benefit obligation are as follows:**

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	22,62,278	21,78,994
Current service cost	1,92,635	1,60,529
Interest cost	1,69,431	1,74,320
Benefits paid	(2,88,779)	(3,50,000)
Actuarial gain/(losses) on obligation	3,79,169	(98,435)
Closing defined benefit obligation	27,14,734	22,62,278

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

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	13,38,149	15,73,522
Expected return	-	1,14,627
Contributions by employer	3,25,251	-
Benefits paid	(2,88,779)	(3,50,000)
Actuarial (losses)/gains	1,01,771	-
Closing fair value of plan assets	14,76,392	13,38,149

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

Particulars	March 31, 2018	March 31, 2017
Discount rate (%)	8%	8%
Expected rate of return on assets (%)	8%	8%
Salary escalation (%)	4%	4%
Attrition rate (%)	5%	5%

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

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

35. Segment information

The Group has considered business segments as the primary segments for disclosure on the basis that the risks and returns of the Group is primarily determined by nature of services. During the year, the group's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. There are two reportable Segments in the group namely Broking activities and Property development under Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.


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Notes to Financial Statements for the year ended March 31, 2018
Information about the primary business segments

Particulars	For the year ended 31 March, 2018			For the year ended 31 March, 2017		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	27,40,95,836	-	27,40,95,836	26,28,93,887	-	26,28,93,887
Inter-segment revenue	-	-	-	-	-	-
	27,40,95,836	-	27,40,95,836	26,28,93,887	-	26,28,93,887
Segment Result	1,86,08,552	(2,41,986)	1,83,66,566	1,77,38,327	(52,014)	1,76,86,313
Interest Expense	32,47,580	11,207	32,58,787	32,88,201	-	32,88,201
Operating Income	1,53,60,972	(2,53,193)	1,51,07,779	1,44,50,126	52,014	1,43,98,112
Other Income			2,29,68,553			2,43,06,025
Profit before taxes			3,80,76,332			3,87,04,137
Tax expenses			1,09,07,799			1,33,74,106
Profit for the year			2,71,68,533			2,53,30,031
Segment Assets	61,19,31,158	53,92,590	61,73,23,748	53,12,01,828	54,86,467	53,66,88,295
Unallocable Assets	12,13,492	(13,010)	12,00,482	-	-	-
Total Assets	61,31,44,650	53,79,581	61,85,24,230	53,12,01,828	54,86,467	53,66,88,295
Segment Liabilities	61,31,18,630	54,05,600	61,85,24,230	53,06,73,055	54,38,320	53,61,11,374
Unallocable liabilities	-	-	-	5,28,774	48,147	5,76,921
Total Liabilities	61,31,18,630	54,05,600	61,85,24,230	53,12,01,828	54,86,467	53,66,88,295
Other Information						
Capital expenditure-Tangible	25,71,485	-	25,71,485	9,45,721	-	9,45,721
Depreciation and amortisation	23,97,605	-	23,97,605	34,35,154	-	34,35,154
Unallocated amortisation	-	-	-	-	-	-
Total Depreciation and amortisation	23,97,605	-	23,97,605	34,35,154	-	34,35,154

36. Related party disclosures
a) Names of the related parties and nature of relationship (as per Ind AS 24)

Nature of Relationship	Name of Related Party
Key Management Personnel (KMP):	Hari Narayan Rathi - Managing Director Chetan Rathi - Executive Director
Investment in LLP where KMP is a Designated Partner	BNR Foods Specialities LLP
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

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Notes to Financial Statements for the year ended March 31, 2018**b) Transactions with related parties:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2018
Rent Paid:	12,24,000	12,24,000
- Chanda Devi Rathi	9,84,000	9,84,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration Paid:	73,20,000	55,19,275
- Hari Narayan Rathi	36,00,000	31,49,275
- Chetan Rathi	30,00,000	17,70,000
- Nisha Rathi	7,20,000	6,00,000
Dividend Paid:	23,08,954	18,47,163
- Hari Narayan Rathi	15,71,490	12,57,192
- Chetan Rathi	3,48,534	2,78,827
- Chanda Devi Rathi	2,62,406	2,09,925
- Nisha Rathi	1,26,524	1,01,219
Service Rendered – Brokerage Received:	2,35,770	89,821
- Hari Narayan Rathi	46,073	1,256
- Chetan Rathi	8,150	164
- Chanda Devi Rathi	18,294	301
- Nisha Rathi	20,043	46,774
- Govind Narayan Rathi	41,568	41,184
- Anuradha Pasari	4,937	142
- Hari Narayan Rathi HUF	96,707	-
Unsecured Loans Taken:	1,50,00,000	
- Hari Narayan Rathi	1,25,00,000	-
- Chetan Rathi	25,00,000	-
Unsecured Loans Repaid:	1,50,00,000	
- Hari Narayan Rathi	1,25,00,000	-
- Chetan Rathi	25,00,000	-
Interest on Unsecured Loans:	4,19,178	
- Hari Narayan Rathi	3,22,603	-
- Chetan Rathi	96,575	-
Shares Acquired:	1,55,000	
- Chanda Devi Rathi	15,000	-
- Chetan Rathi	1,00,000	-
- Nisha Rathi	40,000	-
Investments made:	45,00,000	
- BNR Food Specialities LLP	45,00,000	-
c) Related party balances		
Rent Deposit:	16,00,000	16,00,000
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000
Investments made:	45,00,000	
- BNR Food Specialities LLP	45,00,000	-

**Notes to Financial Statements for the year ended March 31, 2018****37. Leases:****Operating Lease****Assets taken on cancellable operating lease**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cancellable	30,40,800	27,35,829
Total	30,40,800	27,35,839

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after taxation as per statement of profit and loss (for basic EPS)	2,71,68,533	2,53,30,031
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	2,71,68,533	2,53,30,031

(ii) Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	50,40,000	50,40,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Basic (Rs.)	5.39	5.03
- Diluted (Rs.)	5.39	5.03

39. Balance Confirmations

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

40. Due to Micro and Small Enterprises

The Group has no dues to Micro and Small Enterprises as at March 31, 2018 and March 31, 2017 in the financial statements based on information received and available with the company.


Notes to Financial Statements for the year ended March 31, 2018
41. Fair Value Measurements
i. Fair value hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2018	March 31, 2017
Fair Value Hierarchy	1	1
Financial Assets		
Listed Equity Instruments	83,28,960	2,20,294
Investments in Mutual Funds	-	80,45,680
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets - Security Deposits	22,12,523	20,85,332
Other Investments	45,00,000	-
Financial Liabilities		
Borrowings	3,93,760	16,33,098

iii. Financial Instruments by category

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

Particulars	31st March, 2018			31st March, 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity investments	83,28,960	-	-	82,65,974	-	-
Other investments	-	-	52,00,000	-	-	7,00,000
Trade receivable	-	-	11,14,64,106	-	-	13,16,19,478
Loans	-	-	19,12,76,834	-	-	16,63,11,626
Cash and cash equivalents	-	-	16,04,43,914	-	-	7,21,62,315
Other bank balances	-	-	11,76,07,134	-	-	13,60,54,958
Others	-	22,12,523	51,25,703	-	20,85,332	68,08,835
Total	83,28,960	22,12,523	59,11,17,691	82,65,974	20,85,332	51,36,57,212
Financial Liabilities						
Borrowings	-	3,96,490	-	-	16,33,098	-
Trade Payables	-	-	39,90,30,902	-	-	33,78,54,606
Total	-	3,96,490	39,90,30,902	-	16,33,098	33,78,54,606

**Notes to Financial Statements for the year ended March 31, 2018**

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

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

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

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

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

a. Interest rate risk

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

b. Price Risk

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

c. Sensitivity analysis – Equity price risk

The table below summarizes the impact of increase/decrease of the equity indexes on the Group's profit for the period. The analysis is based on the assumption that the equity indexes had increased/decreased by 5% with all the other variables held constant and that of the group's equity instruments moved in line with the index.

Particulars	Impact on Profit or Loss [post tax]	
	March 31, 2018	March 31, 2017
Equity Index – Increase by 5%	3,12,336	7,710
Equity Index – Decrease by 5%	(3,12,336)	(7,710)

**Notes to Financial Statements for the year ended March 31, 2018****ii. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, leading to a financial loss. The Group is mainly exposed to the risk of its balances with the bankers and trade and other receivables.

Ageing of receivables is as follows:

Particulars	March 31, 2018	March 31, 2017
Past due not impaired:		
0-30 Days	4,43,26,666	7,17,65,278
31-60 Days	1,63,32,815	1,34,65,749
61-90 Days	42,51,966	27,52,984
91-180 Days	29,22,173	3,821
Greater than 180 Days	4,36,30,486	4,36,31,646
Total	11,14,64,106	13,16,19,478

iii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2018</u>				
Borrowings	3,96,490	-	-	3,96,490
Trade Payables	29,63,63,822	10,26,67,080	-	39,90,30,902
Total	29,67,60,312	10,26,67,080	-	39,94,27,392
<u>March 31, 2017</u>				
Borrowings	16,33,098	-	-	16,33,098
Trade Payables	25,00,93,423	877,61,182	-	33,78,54,605
Total				33,94,87,703

**Notes to Financial Statements for the year ended March 31, 2018****43. Capital Risk Management**

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

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

Particulars	31st March, 2018	31st March, 2017
Non-Current Borrowings (Refer Note 20)	-	3,30,681
Current Borrowings (Refer Note 22)	3,96,490	13,02,417
Total Debt	3,96,490	16,33,098
As a percentage of total capital	0.19%	0.89%
Equity (Refer Note 18 and 19)	20,35,05,818	18,27,23,111
As a percentage of total capital	99.81%	99.11%
Total Capital (Debt and Equity)	20,39,02,308	18,43,56,209

44. First Time Adoption of IND AS

The Group has adopted the Indian Accounting Standards (Ind AS) during the year and accordingly these are the group's first financial statements prepared in accordance with Ind AS.

As per the Ind AS 101 First time adoption of Indian Accounting Standards, first time adopter shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind ASs. This is the starting point for accounting in accordance with Ind AS. The date of transition for the group is April 01, 2016.

The accounting policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet at April 01, 2016, the date of transition. In preparing its comparative financial statements including opening balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out below.

a. Ind AS optional exemptions**(i) Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.


Notes to Financial Statements for the year ended March 31, 2018
b. Ind AS mandatory exemptions

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from previous GAAP:

(i) Classification and measurement of financial assets

Ind AS 101 requires an entity to classify and measure its financial asset into amortized cost, fair value through OCI or fair value through profit or loss based on the business model assessment or on solely payment of principal and interest (SPPI) criteria based on facts and circumstances that exist at the date of transition.

(ii) Estimates

Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind AS. Upon an assessment of the estimates made under previous GAAP, the group has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

(iii) De-recognition of financial assets and liabilities

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

c. Reconciliation between previous GAAP and Ind AS:
(i) Reconciliation of Equity:

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity (shareholders' funds) under previous GAAP		18,26,18,911	15,75,36,398
Adjustments:			
Proposed dividend and related distribution tax	1	-	48,52,820
Fair value adjustments on investments	2	1,49,029	-
Recognition of borrowings using effective interest rate	3	(43,425)	(10,598)
Financial assets and liabilities (other than borrowings)	4	(1,405)	(809)
Total adjustments		1,04,200	48,41,413
Equity under IND AS GAAP		18,27,23,111	16,23,77,811

(ii) Reconciliation of Total Comprehensive Income:

Particulars	Note	As at March 31, 2017
Net profit for the year as per previous GAAP		2,50,82,567
Adjustments:		
Total effect of transition to Ind AS		2,47,464
Profit for the year as per Ind AS		2,53,30,031
Other comprehensive income [OCI]		
- Recognition of borrowings using effective interest rate	3	(32,827)
- Remeasurements of financial assets	4	(596)
- Remeasurements of post-employment benefit obligations	5	(98,435)
Total Comprehensive Income		2,51,98,173


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Notes to Financial Statements for the year ended March 31, 2018

(iii) Changes in Cash Flow Statement for the year ended March 31, 2018: The Ind AS adjustments are either non-cash adjustments or are re-grouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

(iv) Reconciliation of Balance Sheet as at April 01, 2016 and March 31, 2017:

Particulars	Note	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS	Previous GAAP	Effects of Transition to Ind-AS	IND AS
A ASSETS							
1 Non-Current Assets							
(a) Property, plant and equipment		54,24,606	-	54,24,606	31,15,994	-	31,15,994
(b) Intangible assets		73,463	-	73,463	2,49,123	-	2,49,123
(c) Financial Assets							
- Investments		-	-	-	-	-	-
- Loans		2,84,78,000	-	2,84,78,000	1,88,00,000	-	1,88,00,000
- Other non-current financial assets	4	-	1,74,429	1,74,429	-	3,16,315	3,16,315
(d) Deferred tax assets (Net)		33,93,448	-	33,93,448	30,07,829	-	30,07,829
(e) Other non-current assets	4	14,74,864	7,35,806	22,10,670	14,74,864	12,69,160	27,44,024
Total Non-Current Assets [A]		3,88,44,381	9,10,235	3,97,54,616	2,66,47,810	15,85,475	2,82,33,285
2 Current Assets							
(a) Financial Assets							
- Investments		16,69,207	-	16,69,207	88,16,945	1,49,029	89,65,974
- Loans	4	12,15,00,000	11,50,350	12,26,50,350	14,60,50,000	14,61,626	14,75,11,626
- Trade receivables		8,81,76,076	-	8,81,76,076	13,16,19,478	-	13,16,19,478
- Cash and cash equivalents		9,90,13,282	-	9,90,13,282	7,21,62,315	-	7,21,62,315
- Bank balances other than above		12,30,72,718	-	12,30,72,718	13,60,54,958	-	13,60,54,958
- Other current financial assets	4	74,06,148	14,62,639	88,68,787	72,79,755	12,98,097	85,77,852
(b) Income Taxes		5,11,642	-	5,11,642	-	-	-
(c) Other current assets	4	78,46,454	(35,11,525)	43,34,929	78,96,907	(43,34,099)	35,62,808
Total Current Assets [B]		44,91,95,527	(8,98,536)	44,82,96,991	50,98,80,358	(14,25,348)	50,84,55,011
TOTAL ASSETS [A + B]		48,80,39,908	11,700	48,80,51,607	53,65,28,168	1,60,128	53,66,88,295
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share Capital		5,04,00,000	-	5,04,00,000	5,04,00,000	-	5,04,00,000
(b) Other Equity		10,71,23,889	48,53,921	11,19,77,811	13,22,06,408	1,16,703	13,23,23,111
Total Equity [A]		15,75,23,889	48,53,921	16,23,77,811	18,26,06,408	1,16,703	18,27,23,111
2 Non-Current Liabilities							
(a) Financial Liabilities							
- Borrowings		15,78,910	-	15,78,910	3,30,681	-	3,30,681
(b) Provisions		23,25,364	-	23,25,364	22,94,111	-	22,94,111
Total Non-Current Liabilities [B]		39,04,274	-	39,04,274	26,24,792	-	26,24,792
3 Current Liabilities							
(a) Financial Liabilities							
- Borrowings	3	11,37,029	10,598	11,47,627	12,58,992	43,425	13,02,417
- Trade payables		30,99,68,799	-	30,99,68,799	33,78,54,606	-	33,78,54,606
(b) Provisions		1,08,283	-	1,08,283	1,12,629	-	1,12,629
(c) Income Taxes		-	-	-	5,76,921	-	5,76,921
(d) Other current liabilities	3	1,53,97,633	(48,52,820)	1,05,44,813	1,14,93,820	-	1,14,93,820
Total Current Liabilities [C]		32,66,11,745	(48,42,222)	32,17,69,522	35,12,96,968	43,425	35,13,40,392
TOTAL EQUITY AND LIABILITIES [A + B + C]		48,80,39,908	11,699	48,80,51,607	53,65,28,168	1,60,128	53,66,88,295


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Notes to Financial Statements for the year ended March 31, 2018
(iv) Reconciliation of Net Profit for the year ended March 31, 2017:

Particulars	Note	For the year ended March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS
I REVENUE				
Revenue from Operations (Gross)		26,28,93,887	-	26,28,93,887
Other Income	2	2,41,86,903	1,19,122	2,43,06,025
TOTAL REVENUE [I]		28,70,80,790	1,19,122	28,71,99,912
II EXPENSES				
Employee benefit expenses	5	4,71,66,544	(98,435)	4,70,68,109
Finance costs		32,88,201	-	32,88,201
Depreciation and amortization expense		34,35,154	-	34,35,154
Other expenses	5	6,09,12,464	(29,907)	6,08,82,557
Share of brokerage		13,38,21,754	-	13,38,21,754
TOTAL EXPENSES [II]		24,86,24,117	(1,28,342)	24,84,95,775
III Profit Before Tax [I-II]		3,84,56,673	2,47,464	3,87,04,137
IV Tax Expense:				
- Current tax		1,28,37,228	-	1,28,37,228
- Adjustment of current tax relating to earlier years		1,51,259	-	1,51,259
- Deferred tax credit		3,85,619	-	3,85,619
V Profit for the year		2,50,82,567	2,47,464	2,53,30,031
VI Other Comprehensive Income				
- Recognition of borrowings using effective interest rate	3	-	(32,827)	(32,827)
- Remeasurements of financial assets	4	-	(596)	(596)
- Remeasurements of post-employment benefit obligations	5	-	(98,435)	(98,435)

d. Notes to first time adoption
1. Proposed Dividend and related distribution tax

Under Previous GAAP, proposed dividends are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognized as a liability in the period in which it is declared by the group (usually when approved by shareholders in a general meeting) or paid.

2. Investments

Under Previous GAAP, equity instruments and mutual funds were classified as non-current and current investments based on the intended holding period and realizability. Non-current investments are carried at cost. Provision for diminution in the value of non-current investments is made in case the decline in the value is not temporary in nature. Current investments are stated at lower of cost or fair value.

Under Ind AS, investments are valued at fair value. The resulting fair value changes in investments measured at fair value through profit and loss (FVTPL), have been recognized in retained earnings as at the transition date and subsequently in the statement of profit and loss.

**Notes to Financial Statements for the year ended March 31, 2018****3. Borrowing using effective interest rate**

Under Previous GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortized upfront and charged to the statement of profit or loss for the period. Under Ind AS, such expenditure is considered for calculating effective interest rate. The impact for the periods up-to the date of transition is adjusted with the retained earnings.

4. Other Financial Assets

Under Previous GAAP, interest free lease security deposits paid/received and interest free loans and advances to employee are reported at their transaction values. Under Ind AS, interest free security deposits, loans and advances are measured at fair value on initial recognition and at amortized cost on subsequent recognition. The difference between the transaction value and fair value of the lease deposit, employee loans and advances at initial recognition is treated as prepaid/advance rentals and prepaid employee cost respectively. The amount pertaining to the period put- the date of transition is recognized in retained earnings on a straight-line basis over the lease and loan term.

5. Remeasurement of post-employment benefit expenses

Under Ind AS remeasurement i.e., actuarial gains and losses and the return on plan assets, if any, excluding amount included in the net interest expenses on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP these remeasurements were forming part of profit or loss for the year.

6. Cash and cash equivalents

Under Ind AS, bank overdrafts which are repayable on demand and forming an integral part of an entity's cash management are included as a component of cash and cash equivalents for the purpose of Cash Flow Statement. However, for presentation purpose bank overdrafts are shown current liabilities in the balance sheet. Under previous GAAP, bank overdrafts were shown as part of financing activities and not considered as cash and cash equivalents.

As per our Report of even date.

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

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

T. Bharadwaj
Partner
Membership No. 201042

Laxminiwas Sharma
Chairman
DIN : 00010899

Harinarayan Rathi
Managing Director
DIN : 00010968

Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 17.05.2018

Sabitha Reddy
Company Secretary

M.V. Rao
Compliance Officer



DIRECTOR'S REPORT

To

The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 10th Annual report together with Audited accounts for the year ended 31st March, 2018.

1. FINANCIAL RESULTS:

	(Rs. In Lacs)	
Particulars	2017-18	2016-17
Income	576.68	740.76
Total Expenditure	489.14	655.20
Profit/Loss before Tax	87.55	85.56
Provision for taxation	22.76	27.69
Profit after Tax	64.78	57.87
Balance carried to Balance Sheet	64.78	57.87

PERFORMANCE REVIEW:

The Company has made an income of Rs 576.68 lakhs and a net profit of Rs. 64.78 lakhs in the current year against the income of Rs. 740.76 Lakhs and a net profit of Rs. 57.87 Lakhs in the previous year

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

DIVIDEND:

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no material changes and commitments affecting Financial position of the company between 31st March, 2018 and the date of Board's Report. (i.e. 15.05.2018)

BOARD MEETINGS:

The Board of Directors met Seven times during the year on 11.05.2017, 29.07.2017, 31.10.2017, 13.11.2017, 23.12.2017, 08.01.2018 and 04.02.2018 and the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

TRANSFER TO RESERVES:

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

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.



CAPITAL OF THE COMPANY:

Authorized Share capital and paid up share capital of the company stands at Rs. 1,00,00,000/- (Rupees one Crore Only) divided in to 10,00,000 equity shares of Rs.10/- each.

SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

DIRECTORS:

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

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec. 134(5) of the Companies Act, 2013 the Board of Directors of your Company hereby certifies and confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual accounts on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

A. Conservation of Energy

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

B. Technology Absorption

- | | |
|---------------------------------------------------|-------|
| 1. Research and Development (R&D) | : Nil |
| 2. Technology absorption, adoption and innovation | : Nil |

C. Foreign Exchange Earnings and Out Go

- | | |
|---------------------------|-------|
| Foreign Exchange Earnings | : Nil |
| Foreign Exchange Outgo | : Nil |



PARTICULARS OF EMPLOYEES:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

AUDITORS:

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

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report (FORMAT IN ANNEXURE I)

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not taken any loan, guarantee or investment as specified under section 186 of the Companies Act, 2013.

RISK MANAGEMENT POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Your Directors draw attention of the members to Note 23 to the financial statement which sets out related party disclosures.

INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

MERGER:



Pursuant to the merger of Forward Market Commission (FMC) (regulator of commodity derivatives) with Securities Exchange Board of India (SEBI) (regulator of securities market) and notification no. G.S.R. 664(E) dated June 27, 2017 published in the official gazette where restriction on the stock brokers to deal in commodities has been omitted, the company decided to amalgamate both the businesses of securities conducted through B.N. Rathi Securities Limited and commodity derivatives trading through B N Rathi Comtrade Private Limited under one entity.

Therefore, in the Board meeting held on 08.01.2018, the company decided to amalgamate with B N Rathi Comtrade Private Limited. An application with the Hon'ble NCLT is made in this regard and the said amalgamation is in process.

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 : 15.05.2018



MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS :

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Commodities Broking	-	92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	B.N. Rathi Securities 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	
Promoters									
(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....									
Sub-total(A) (1)	0	10,00,000	10,00,000	100	0	10,00,000	10,00,000	100	0
(2) Foreign									
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
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Total share holding of Promoter(A)= (A)(1)+(A)(2)	0	10,00,000	10,00,000	100	0	10,00,000	10,00,000	100	0
B. Public Shareholding									
1.Institutions									
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 COMTRADE PRIVATE LIMITED

U74900TG2008PTC060088

2. Non Institutions									
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

Sl. No.	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	0	9,99,980	9,99,980	99.998	0	9,99,980	9,99,980	99.998	0

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

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): NA				
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): NA				
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): NA				
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	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				



vi. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/MTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salaryunder section 17(3) Income tax Act, 1961	7,20,000 p.a.	-	-	-	7,20,000 p.a.
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission- as % of profit Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	7,20,000	-	-	-	7,20,000
7.	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors :

Particulars of Remuneration	Name of Director				Total Amount
Independent Directors - Fee for attending board / committee meetings -Commission -Others please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
Other Non-Executive Directors - 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/s 17(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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
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 Ind AS financial statements of B. N. Rathi Comtrade Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the



standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Seshachalam & Co.

Chartered Accountants

Firm Registration Number.: 003714S

T. Bharadwaj

Partner

Membership No.: 201042

Place : Hyderabad

Date : 15.05.2018



Annexure 1 to the Independent Auditors' Report

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

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



- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Place : Hyderabad
Date : 15.05.2018

T. Bharadwaj
Partner
Membership No.: 201042



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

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

TO THE MEMBERS OF B N RATHI COMTRADE PRIVATE LIMITED

We have audited the internal financial controls over financial reporting of B N Rathi Comtrade Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 17, 2018 expressed an unqualified opinion.

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

Place : Hyderabad
Date : 15.05.2018

T. Bharadwaj
Partner
Membership No.: 201042



1. Corporate Information:

B N Rathi Comtrade Private Limited ("BNRCPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on July 10, 2008. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

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

2. Significant Accounting Policies:

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

a) Statement of Compliance:

The company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, read with section 133 of the Companies Act 2013, with effect from April 01, 2017.

The adoption was carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. Previous period comparatives in the separate financials statements have been restated to Ind AS, in accordance with Ind AS 101. The Company has presented a reconciliation from the presentation of financials statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 01, 2016 and of the total comprehensive income for the year ended March 31, 2017.

b) Basis of preparation:

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

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

c) Use of estimates and judgements:

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

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

d) Current versus non-current classification:

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:



- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or,
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or,
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

e) Property, plant and equipment:

i. Recognition and initial measurement:

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

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

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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



iv. Transition to Ind AS:

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

f) Impairment of assets:

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

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

g) Revenue Recognition:

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

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

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

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

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

h) Leases:

Where the lessor effectively retains all risk and benefits of ownership of the leased items, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis.

i) Financial Instruments:

a. Financial Assets

Initial recognition and measurement

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial

assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

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

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

De-recognition of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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



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

De-recognition of financial liabilities

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

c. Offsetting financial instruments

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

j) Borrowing costs:

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

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

k) Income Taxes:

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

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

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



based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

l) Provisions, contingent liabilities and contingent assets:

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

Contingent liability is disclosed for:

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

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

m) Cash and cash equivalents:

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

n) Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

o) Earnings per share:

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

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



Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipment	3	1,45,650	2,76,840	6,76,245
(b) Financial Assets				
- Loans	4	55,00,000	55,00,000	55,00,000
(c) Deferred tax assets (Net)	5	3,76,949	4,13,386	4,89,989
Total Non-Current Assets [A]		60,22,599	61,90,226	66,66,234
2 Current Assets				
(a) Financial Assets				
- Investments	6	-	50,28,906	-
- Loans	7	77,56,049	1,03,31,626	2,11,75,350
- Trade receivables	8	4,39,46,301	4,36,84,950	4,37,05,218
- Cash and cash equivalents	9	2,97,34,350	2,85,58,286	24,79,837
- Bank balances other than above	10	4,37,50,000	4,62,50,000	4,97,11,347
(b) Income Taxes	11	1,15,447	-	-
(c) Other current assets	12	10,04,848	13,93,761	12,52,699
Total Current Assets [B]		12,63,06,995	13,52,47,529	11,83,24,451
TOTAL ASSETS [A+B]		13,23,29,594	14,14,37,755	12,49,90,685
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	13	1,00,00,000	1,00,00,000	1,00,00,000
(b) Other Equity	14	2,95,84,558	2,31,06,259	1,73,19,561
Total Equity [A]		3,95,84,558	3,31,06,259	2,73,19,561
2 Current Liabilities				
(a) Financial Liabilities				
- Borrowings	15	2,730	-	-
- Trade payables	16	9,11,98,960	10,65,95,177	9,60,34,193
(b) Income Taxes	17	-	4,19,105	85,342
(c) Other current liabilities	18	15,43,346	13,17,214	15,51,589
Total Non-Current Liabilities [B]		9,27,45,036	10,83,31,496	9,76,71,124
TOTAL EQUITY AND LIABILITIES [A+B]		13,23,29,594	14,14,37,755	12,49,90,685
Corporate information	1			
Summary of significant accounting policies	2			
Accompanying notes forming an integral part of the financial statements	1 to 35			

As per our Report of even date.

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

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Nisha Rathi
Executive Director
DIN : 02210852

Place : Hyderabad
Date : 15.05.2018

**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, 2018

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I REVENUE			
Revenue from Operations (Gross)	19	5,22,11,972	6,91,11,513
Other Income	20	54,56,118	49,64,677
TOTAL REVENUE [I]		5,76,68,090	7,40,76,190
II EXPENSES			
Employee benefit expenses	21	85,90,379	1,21,96,332
Finance costs	22	3,43,177	3,76,719
Depreciation and amortization expense	3	2,32,712	3,76,881
Other expenses	23	1,73,21,395	2,06,73,086
Share of brokerage		2,24,25,917	3,18,97,310
TOTAL EXPENSES [II]		4,89,13,581	6,55,20,328
III Profit Before Tax [I-II]		87,54,509	85,55,862
IV Tax Expense			
- Current tax	24	22,39,773	26,92,561
- Deferred tax credit	24	36,437	76,603
V Profit for the year		64,78,300	57,86,698
VI Earnings per equity share Rs. 10/- each fully paid			
- Basic	29	6.48	5.79
- Diluted	29	6.48	5.79
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 35		

As per our Report of even date.

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

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Nisha Rathi
Executive Director
DIN : 02210852

Place : Hyderabad
Date : 15.05.2018

**B N RATHI COMTRADE PRIVATE LIMITED**

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

Cash Flow Statement for the year ended 31st March, 2018

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		87,54,509	85,55,862
Adjustments:			
Depreciation		2,32,712	3,76,881
Loss on sale of Property, plant and equipment		-	16,024
Profit on sale of Property, plant and equipment		(99,353)	-
Excess provision written back		(89,746)	-
Interest expense		23,930	26,229
Interest income		(45,52,196)	(47,34,561)
Cash generated before working capital changes		42,69,857	42,40,435
Movements in working capital:			
(Decrease)/Increase in trade payables		(1,53,96,217)	1,05,60,984
(Decrease)/Increase in other current liabilities		2,26,133	(2,34,377)
Decrease/(Increase) in trade receivables		(2,61,351)	20,268
Decrease/(Increase) in loans and advances		49,60,952	4,58,43,726
Cash generated from operations		(62,00,627)	6,04,31,035
Direct taxes paid (Net of refunds received)		(27,74,325)	(23,58,798)
Net cash flow (used in)/from operating activities [A]		(89,74,951)	5,80,72,237
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		1,02,200	-
Investment in mutual funds		50,28,906	(50,28,906)
Proceeds from sale of property, plant and equipment		1,00,000	6,500
Interest received		49,41,109	45,93,500
Net cash flow (used in)/from investing activities [B]		1,01,72,215	(4,28,906)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment)/Proceeds of short term borrowings		-	-
(Investment)/redemption of bank deposits		-	(3,15,38,653)
Interest paid		(23,930)	(26,229)
Net cash flow (used in)/from financing activities [C]		(23,930)	(3,15,64,882)
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		11,73,334	2,60,78,449
E. Cash and cash equivalents			
at the beginning of the year	9	2,85,58,286	24,79,837
at the end of the year		2,97,31,620	2,85,58,286
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		77,26,597	90,50,229
- Deposits with original maturity of less than 3 months		2,20,00,000	1,95,00,000
Cash on hand		7,753	8,057
Less: Bank overdraft		(2,730)	-
Cash and cash equivalents at the end of the year		2,97,31,620	2,85,58,286
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 35		

As per our Report of even date.

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

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Nisha Rathi
Executive Director
DIN : 02210852

Place : Hyderabad
Date : 15.05.2018

**B N RATHI COMTRADE PRIVATE LIMITED**

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Statement of Changes in Equity for the year ended March 31, 2018****A. Equity Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	1,00,00,000	1,00,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	1,00,00,000	1,00,00,000

B. Other Equity

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<i>Movement in other equity is as follows:</i>		
I. Capital Reserve	1,79,700	1,79,700
II. Retained Earnings		
(i) Opening Balance	2,29,26,559	1,71,39,861
(ii) Profit for the year	64,78,300	57,86,698
	2,94,04,858	2,29,26,559
Total	2,95,84,558	2,31,06,259

Accompanying notes forming an integral part of the financial statements

As per our report on even date

As per our Report of even date.

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

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

T. Bharadwaj
Partner
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Place : Hyderabad
Date : 15.05.2018


B N RATHI COMTRADE PRIVATE LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 3: Property, plant and equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Furniture and Fittings	49,746	1,62,023	4,38,337
Motor Vehicles	23,182	43,327	92,522
Computers and Data Processing Units	40,504	1,907	8,851
Office Equipment	32,216	69,583	1,36,535
Total	1,45,650	2,76,840	6,76,245

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
For the year 2017-18					
I. Gross Block					
Opening Balance	21,98,960	6,75,678	4,70,897	4,83,451	38,28,986
Additions	-	-	1,02,200	-	1,02,200
Disposals	-	6,09,216	-	-	6,09,216
Balance as at March 31, 2018	221,98,960	66,462	5,73,097	4,83,451	33,21,970
II. Accumulated Depreciation & impairment for the year					
Opening Balance	20,36,937	6,32,351	4,68,990	4,13,868	35,52,146
Depreciation expense for the year	1,12,277	19,466	63,603	37,367	2,32,712
Eliminated on disposal of assets	-	6,08,538	-	-	6,08,538
Balance as at March 31, 2018	21,49,214	43,279	5,32,593	4,51,235	31,76,320
III. Net Block [I-II]					
Carrying value as at March 31, 2018	49,746	23,183	40,504	32,216	1,45,650
Carrying value as at March 31, 2017	1,62,023	43,327	1,907	69,583	2,76,840
For the year 2016-17					
I. Gross Block					
Opening Balance	23,86,191	6,75,678	4,70,897	5,61,151	40,93,917
Additions	-	-	-	-	-
Disposals	1,87,231	-	-	77,700	2,64,931
Balance as at March 31, 2017	21,98,960	6,75,678	4,70,897	4,83,451	38,28,986
II. Accumulated Depreciation & impairment for the year					
Opening Balance	19,47,854	5,83,156	4,62,046	4,24,616	34,17,672
Depreciation expense for the year	2,60,219	49,195	6,944	60,523	3,76,881
Eliminated on disposal of assets	1,71,136	-	-	71,271	2,42,407
Balance as at March 31, 2017	20,36,937	6,32,351	4,68,990	4,13,868	35,52,146
III. Net Block [I-II]					
Carrying value as at March 31, 2017	1,62,023	43,327	1,907	69,583	2,76,840
Carrying value as at April 01, 2016	4,38,337	92,522	8,851	1,36,535	6,76,245

**B N RATHI COMTRADE PRIVATE LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 4 : Non-Current Loans**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security Deposits			
- Security Deposits with Stock Exchanges/ Clearing Houses	55,00,000	55,00,000	55,00,000
Total	55,00,000	55,00,000	55,00,000

Note 5 : Deferred Tax Asset (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Assets			
Depreciation	3,76,949	4,13,386	4,89,989
Total	3,76,949	4,13,386	4,89,989

Note 6 : Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted investments in mutual funds (valued at fair value through profit and loss account)			
- Birla Sun Life Mutual Fund	-	50,28,906	-
[Nil (31.03.2017:19,303,842) Units of Rs.100 each]			
Total	-	50,28,906	-

Note 7 : Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security Deposits	14,41,049	14,61,626	11,50,350
Staff Advances	65,000	1,20,000	25,000
Margin with exchanges	62,50,000	87,50,000	2,00,00,000
Total	77,56,049	1,03,31,626	2,11,75,350

Note 8 : Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Outstanding for a period exceeding six months	4,36,30,486	4,36,30,486	4,36,30,486
[Refer Note 30]			
Others	3,15,815	54,464	74,732
Total	4,39,46,301	4,36,84,950	4,37,05,218

**B N RATHI COMTRADE PRIVATE LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 9 : Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with banks			
- In current accounts	77,26,597	90,50,229	24,61,147
- Deposits with original maturity of less than 3 months	2,20,00,000	1,95,00,000	-
Cash on hand	7,753	8,057	18,690
Total	2,97,34,350	2,85,58,286	24,79,837

Note 10 : Bank balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
On deposit accounts			
- Remaining maturity for more than 12 months	-	25,00,000	3,75,00,000
- Remaining maturity for less than 12 months	4,37,50,000	4,37,50,000	1,22,11,347
Total	4,37,50,000	4,62,50,000	4,97,11,347

Note 11 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	23,55,220	-	-
Current Tax Liabilities	22,39,773	-	-
Total	1,15,447	-	-

Note 12 : Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
- Prepaid expenses	1,99,459	4,48,544	2,46,266
- Balance with government authorities	83,538	1,63,561	2,19,134
Interest accrued on deposits with banks and others	7,21,851	7,81,656	7,87,299
Total	10,04,848	13,93,761	12,52,699



Notes to Financial Statements for the year ended March 31, 2018

Note 13 : Share Capital

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, subscribed and fully paid:						
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Total	10,00,000	1,00,00,000	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
Equity shares				
Year ended March 31, 2018				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000
Year ended March 31, 2017				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000
Year ended March 31, 2016				
- 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:** The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. However, interim dividend can be declared by the Board of Directors subject to the provisions of the Companies Act 2013, relevant rules and regulations thereunder.

(c) Details of shares held by Holding Company

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	10,00,000	100%	10,00,000	100%	10,00,000	100%



Notes to Financial Statements for the year ended March 31, 2018

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

Name of the Share Holder	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	10,00,000	100%	10,00,000	100%	10,00,000	100%

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

Note 14 : Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
General Reserve	1,79,700	1,79,700	1,79,700
Retained Earnings	2,94,04,858	2,29,26,559	1,71,39,861
Total	2,95,84,558	2,31,06,259	1,73,19,561

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

Nature and purpose of Other Equity:

(a) General Reserve

This represents appropriation of profit by the company.

(b) Retained Earnings

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

Note 15 : Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Overdraft - Secured	2,730	-	-
Total	2,730	-	-

Note 16 : Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Creditors - Clients [Refer Note 30]	4,45,97,145	5,90,52,875	4,81,23,896
Creditors - NSEL	4,36,32,253	4,36,32,253	4,36,32,253
Sharing of Brokerage Payable	17,08,255	23,21,586	26,27,612
Creditors - Suppliers and other services	12,61,307	15,88,463	16,50,432
Total	9,11,98,960	10,65,95,177	9,60,34,193

**B N RATHI COMTRADE PRIVATE LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 17 : Income Taxes**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	-	22,73,456	37,87,805
Current Tax Liabilities	-	26,92,561	36,73,147
Total	-	4,19,105	85,342

Note 18 : Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory remittances	10,81,301	6,56,120	10,81,796
Client margin deposits	3,96,216	3,48,579	2,21,944
Other deposits - Sub brokers	65,829	3,02,848	2,40,240
Other payables	-	9,667	7,609
Total	15,43,346	13,17,214	15,51,589

Note 19 : Revenue from Operations (Gross)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income from broking operations	3,75,76,159	5,08,48,757
Other operating revenue	1,46,35,813	1,82,62,756
Total	5,22,11,972	6,91,11,513

Note 20 : Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on deposits with bank	45,52,196	47,34,561
Fair value gain on investments	-	28,906
Profit on sale of Property, plant and equipment	99,353	-
Profit on sale of investments in Mutual Funds	4,34,361	-
Miscellaneous income	2,80,462	2,01,210
Excess provision written back	89,746	-
Total	54,56,118	49,64,677

Note 21 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and bonus	85,90,379	1,21,96,332
Total	85,90,379	1,21,96,332

**B N RATHI COMTRADE PRIVATE LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 22 : Finance Costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
- Working Capital	23,930	26,229
- Delayed remittance of Income tax	23,649	938
Other borrowing costs	2,95,598	3,49,552
Total	3,43,177	3,76,719

Note 23 : Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating expenses:		
Transaction charges	1,25,65,627	1,51,33,018
Other operating expenses	10,80,000	12,00,000
Others:		
Power and Fuel	4,37,948	5,32,569
Rent [Refer Note 27 and 28]	4,38,000	5,55,000
Repairs and maintenance	2,97,073	6,18,740
Insurance	19,770	18,390
Rates and taxes	2,11,753	3,71,656
Communication	10,25,971	10,85,595
Travelling and conveyance	48,330	8,189
Business promotion	50,138	22,002
Donations	2,00,000	1,25,000
Legal and professional	2,72,600	2,10,264
Auditor's remuneration:		
- Statutory audit	85,000	50,000
- Tax audit	15,000	10,000
- Certification	-	15,000
Balances written off	1,12,439	96,632
Loss on sale of Property, plant and equipment	-	16,024
Other expenses	4,61,746	6,05,007
Total	1,73,21,395	2,06,73,086



Notes to Financial Statements for the year ended March 31, 2018

Note 24 : Income Tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	23,39,773	26,92,561
- Adjustments in respect of current income tax of previous year	-	-
	23,39,773	26,92,561
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	36,437	76,603
	36,437	76,603
Income tax expense reported in the statement of profit or loss	22,76,210	27,69,164
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	87,54,509	85,55,862
Indian tax rate	25.75%	30.90%
Tax at the Indian tax rate	22,54,286	26,43,761
Effect of:		
Non-Deductible expenses for tax purposes	1,67,898	2,36,926
Tax exempt income	2,41,408	1,02,591
Income taxed at special rates	95,434	-
Others	-	(8,932)
Total Income Tax Expense	22,76,210	27,69,164

25. Contingent liabilities :

i) Bank Guarantees :

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees	2,90,00,000	2,90,00,000

26. Segment information

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

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**27. Related party disclosures****a) Names of the related parties and nature of relationship (as per Ind AS 24)**

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Key Management Personnel (KMP):	Nisha Rathi - Executive Director
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi - Mother-in-law of Nisha Rathi Chetan Rathi - Husband of Nisha Rathi

b) Transactions with related parties:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration Paid:	7,20,000	6,00,000
- Nisha Rathi	7,20,000	6,00,000
Rent Paid:	2,40,000	2,40,000
- Chanda Devi Rathi	2,40,000	2,40,000
Sharing of expenses	79,22,341	1,26,42,408
- B.N. Rathi Securities Limited	79,22,341	1,26,42,408
Sharing of expenses paid	79,22,341	1,26,42,408
- B.N. Rathi Securities Limited	79,22,341	1,26,42,408

c) Related Party Balances :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent Deposit receivable Chanda Devi Rathi	5,00,000	5,00,000

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

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cancellable	4,38,000	5,55,000
Total	4,38,000	5,55,000

**Notes to Financial Statements for the year ended March 31, 2018****29. Earnings per Share (EPS):****(i) Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after taxation as per statement of profit and loss (for basic EPS)	64,78,300	57,86,698
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	64,78,300	57,86,698

(ii) Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of weighted average equity shares considered for calculating of basic EPS	10,00,000	10,00,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	10,00,000	10,00,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Basic (Rs.)	6.48	5.79
- Diluted (Rs.)	6.48	5.79

30. Balance Confirmations

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

31. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2018 and March 31, 2017 in the financial statements based on information received and available with the company.

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

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**ii. Financial assets and financial liabilities measured at fair value**

Particulars	March 31, 2018	March 31, 2017
Fair Value Hierarchy	1	1
Financial Assets		
Investments in Mutual Funds	-	50,28,906

iii. Financial Instruments by category

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

Particulars	31st March, 2018			31st March, 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Other investments	-	-	-	50,28,906	-	-
Trade receivable	-	-	4,39,46,301	-	-	4,36,84,950
Loans	-	-	1,32,56,049	-	-	1,58,31,626
Cash and cash equivalents	-	-	2,97,34,350	-	-	2,85,58,286
Other bank balances	-	-	4,37,50,000	-	-	4,62,50,000
Total	-	-	13,06,86,700	50,28,906	-	13,43,24,862
Financial Liabilities						
Borrowings	-	-	2,370	-	-	-
Trade Payables	-	-	9,11,98,960	-	-	10,65,95,177
Total	-	-	9,12,01,690	-	-	10,65,95,177

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

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

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

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

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

**Notes to Financial Statements for the year ended March 31, 2018****a. Interest rate risk**

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

b. Price Risk

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

ii. Credit Risk

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

Ageing of receivables is as follows:

Particulars	March 31, 2018	March 31, 2017
Past due not impaired:		
0-30 Days	3,15,815	54,464
31-60 Days	-	-
61-90 Days	-	-
91-180 Days	-	-
Greater than 180 Days	4,36,30,486	4,36,30,486
Total	4,39,46,301	4,36,84,950

i. Liquidity Risk

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

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

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



Notes to Financial Statements for the year ended March 31, 2018

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2018</u>				
Borrowings	2,730	-	-	2,730
Trade Payables	4,75,66,707	4,36,32,253	-	9,11,98,960
Total	4,75,69,437	4,36,32,253	-	9,12,01,690
<u>March 31, 2017</u>				
Borrowings	-	-	-	-
Trade Payables	6,29,62,924	4,36,32,253	-	10,65,95,177
Total	6,29,62,924	4,36,32,253	-	10,65,95,177

34. Capital Risk Management

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

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

Particulars	31st March, 2018	31st March, 2017
Current Borrowings (Refer Note 15)	2,370	-
Total Debt	2,370	-
As a percentage of total capital	0.01%	0.00%
Equity (Refer Note 13 and 14)	3,95,84,558	3,31,06,259
As a percentage of total capital	99.99%	100.00%
Total Capital (Debt and Equity)	3,95,87,288	3,31,06,259

35. First Time Adoption of IND AS

The company has adopted the Indian Accounting Standards (Ind AS) during the year and accordingly these are the company's first financial statements prepared in accordance with Ind AS.

As per the Ind AS 101 First time adoption of Indian Accounting Standards, first time adopter shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind ASs. This is the starting point for accounting in accordance with Ind AS. The date of transition for the company is April 01, 2016.

The accounting policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet at April 01, 2016, the date of transition. In preparing its comparative financial statements including opening balance sheet, the company has adjusted the amounts reported

**Notes to Financial Statements for the year ended March 31, 2018**

previously in financial statements prepared in accordance with the Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out below.

a. Ind AS optional exemptions**(i) Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b. Ind AS mandatory exemptions

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from previous GAAP:

(i) Classification and measurement of financial assets

Ind AS 101 requires an entity to classify and measure its financial asset into amortized cost, fair value through OCI or fair value through profit or loss based on the business model assessment or on solely payment of principal and interest (SPPI) criteria based on facts and circumstances that exist at the date of transition.

(ii) Estimates

Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind AS. Upon an assessment of the estimates made under previous GAAP, the company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

(iii) De-recognition of financial assets and liabilities

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.


B N RATHI COMTRADE PRIVATE LIMITED

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
c. Reconciliation between previous GAAP and Ind AS:
(i) Reconciliation of Balance Sheet as at April 01, 2016 and March 31, 2017:

Particulars	Note	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS	Previous GAAP	Effects of Transition to Ind-AS	IND AS
A ASSETS							
1 Non-Current Assets							
(a) Property, plant and equipment		6,76,245	-	6,76,245	2,76,840	-	2,76,840
(b) Intangible assets		-	-	-	-	-	-
(c) Financial Assets							
- Investments		-	-	-	-	-	-
- Loans		55,00,000	-	55,00,000	55,00,000	-	55,00,000
(d) Deferred tax assets (Net)		4,89,989	-	4,89,989	4,13,386	-	4,13,386
Total Non-Current Assets [A]		66,66,234	-	66,66,234	61,90,226	-	61,90,226
2 Current Assets							
(a) Financial Assets							
- Investments	1	-	-	-	50,00,000	28,906	50,28,906
- Loans		2,16,40,750	(4,65,400)	2,11,75,350	1,09,43,731	(6,12,105)	1,03,31,626
- Trade receivables		4,37,05,218	-	4,37,05,218	4,36,84,950	-	4,36,84,950
- Cash and cash equivalents		24,79,837	-	24,79,837	2,85,58,286	-	2,85,58,286
- Bank balances other than above		4,97,11,347	-	4,97,11,347	4,62,50,000	-	4,62,50,000
(b) Income Taxes		-	-	-	-	-	-
(c) Other current assets		7,87,299	4,65,400	12,52,699	7,81,656	6,12,105	13,93,761
Total Current Assets [B]		11,83,24,451	-	11,83,24,451	13,52,18,623	28,906	13,52,47,529
TOTAL ASSETS [A + B]		12,49,90,685	-	12,49,90,685	14,14,08,849	28,906	14,14,37,755
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share Capital		1,00,00,000	-	1,00,00,000	1,00,00,000	-	1,00,00,000
(b) Other Equity	1	1,73,19,561	-	1,73,19,561	2,30,77,353	28,906	2,31,06,259
Total Equity [A]		2,73,19,561	-	2,73,19,561	3,30,77,353	28,906	3,31,06,259
2 Current Liabilities							
(a) Financial Liabilities							
- Borrowings		-	-	-	-	-	-
- Trade payables		9,60,34,193	-	9,60,34,193	10,65,95,177	-	10,65,95,177
(b) Income Taxes		85,342	-	85,342	4,19,105	-	4,19,105
(c) Other current liabilities		15,51,589	-	15,51,589	13,17,214	-	13,17,214
TOTAL [B]		9,76,71,124	-	9,76,71,124	10,83,31,496	-	10,83,31,496
TOTAL EQUITY AND LIABILITIES [A + B]		12,49,90,685	-	12,49,90,685	14,14,08,849	28,906	14,14,37,755


B N RATHI COMTRADE PRIVATE LIMITED

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
(ii) Reconciliation of Net Profit for the year ended March 31, 2017:

Particulars	Note	For the year ended March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS
I REVENUE				
Revenue from Operations (Gross)		6,91,11,513	-	6,91,11,513
Other Income	1	49,35,771	28,906	49,64,677
TOTAL REVENUE [I]		7,40,47,284	28,906	7,40,76,190
II EXPENSES				
Employee benefit expenses		1,21,96,332	-	1,21,96,332
Finance costs		3,76,719	-	3,76,719
Depreciation and amortization expense		3,76,881	-	3,76,881
Other expenses		2,06,73,086	-	2,06,73,086
Share of brokerage		3,18,97,310	-	3,18,97,310
TOTAL EXPENSES [II]		6,55,20,328	-	6,55,20,328
III Profit Before Tax [I-II]		85,26,956	28,906	85,55,862
IV Tax Expense				
- Current tax		26,92,561	-	26,92,561
- Deferred tax credit		76,603	-	76,603
V Profit for the year		57,57,792	28,906	57,86,698
VI Other Comprehensive Income		-	-	-

(iii) Changes in Cash Flow Statement for the year ended March 31, 2017:

The Ind AS adjustments are either non-cash adjustments or are re-grouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

(iv) Reconciliation of Equity :

Particulars	As at March 31, 2017	As at April 01, 2016
Equity (Shareholders' funds) under previous GAAP	3,30,77,353	2,73,19,561
Changes in equity due to Ind AS Adoption		
- Effect of measuring investments at fair value	28,906	-
Equity under Ind AS GAAP	3,31,06,259	2,73,19,561



Notes to Financial Statements for the year ended March 31, 2018

d. Notes to first time adoption

1. Investments

Under Previous GAAP, equity instruments and mutual funds were classified as non-current and current investments based on the intended holding period and realizability. Non-current investments are carried at cost. Provision for diminution in the value of non-current investments is made in case the decline in the value is not temporary in nature. Current investments are stated at lower of cost or fair value.

Under Ind AS, investments are valued at fair value. The resulting fair value changes in investments measured at fair value through profit and loss (FVTPL), have been recognized in retained earnings as at the transition date and subsequently in the statement of profit and loss.

2. Cash and cash equivalents

Under Ind AS, bank overdrafts which are repayable on demand and forming an integral part of an entity's cash management are included as a component of cash and cash equivalents for the purpose of Cash Flow Statement. However, for presentation purpose bank overdrafts are shown current liabilities in the balance sheet. Under previous GAAP, bank overdrafts were shown as part of financing activities and not considered as cash and cash equivalents.

As per our Report of even date.

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

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Nisha Rathi
Executive Director
DIN : 02210852

Place : Hyderabad
Date : 15.05.2018



DIRECTOR'S REPORT

To

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

We have pleasure in presenting the 6th Annual report together with Audited accounts for the year ended 31st March, 2018.

1. FINANCIAL RESULTS / HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

(Rs. In Lakhs)

Particulars	2017-18	2016-17
Income	2.33	3.23
Total Expenditure	2.53	0.52
Profit/Loss before Tax	(0.20)	2.71
Provision for taxation	0.25	0.79
Profit after Tax	(0.45)	1.92
Balance carried to Balance Sheet	-	1.92

PERFORMANCE REVIEW:

The Company has made a loss of Rs. 0.45 lakhs after tax.

DIVIDEND:

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no material changes and commitments affecting Financial position of the company between 31st March and the date of Board's Report. (i.e. 15.05.2018)

BOARD MEETINGS:

The Board of Directors met 4 times during the year on 11.05.2017, 29.07.2017, 31.10.2017 and 02.02.2018 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 of the Company stands at 1,50,00,000/- (Rupees Once Crore and Fifty Lakhs Only) divided into 15,00,000 equity shares of Rs. 10/- each and paid up share capital of the company stands at Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided 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, but made an investment in BNR Food Specialities LLP as specified under section 186 of the Companies Act, 2013 to amount of Rs.45,00,000/- .

RISK MANAGEMENT POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

RELATED PARTY TRANSACTIONS:

There are no related party transactions during the financial year 2017-18.

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 : 15.05.2018

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

U45209TG2012PTC082486

MGT 9**Extract of Annual Return****As on the Financial Year 31.03.2016****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS :**

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Investment	-	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	B.N. Rathi Securities 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	
Promoters									
(1) Indian									
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	4,99,970	99.994	-	4,99,970	4,99,970	99.994	0
Banks / FI									
Any Other....									
Sub-total(A) (1)	0	5,00,000	5,00,000	100	0	5,00,000	5,00,000	100	0
(2) Foreign									
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
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Total share holding of Promoter(A)= (A)(1)+(A)(2)	0	5,00,000	5,00,000	100	0	5,00,000	5,00,000	100	0
B. Public Shareholding									
1. Institutions									
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



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

(ii) Shareholding of promoters

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

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

Share holder's name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	NA			
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): NA				
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): NA				
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): NA				
At the End of the year	30	0.006	30	0.006

(vi) 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				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
Total (i+ii+iii)				



(vii) Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salaryunder section 17(3) Income tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission- as % of profit Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
7.	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors :

Particulars of Remuneration	Name of Director				Total Amount
Independent Directors - Fee for attending board / committee meetings -Commission -Others please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
Other Non-Executive Directors - 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/WTB

Sl. No.	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	-	-	-	-

(viii) 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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of B. N. Rathí Industries Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

T. Bharadwaj
Partner
Membership No.201042

Place : Hyderabad
Date : 15.05.2018



Annexure 1 to the Independent Auditors' Report

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

- (i) According to the information and explanations given to us, the Company has no property, plant and equipment. Accordingly, the provisions of clause 3(i) (a), (b) and(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) of the Companies (Auditors' Report) Order, 2015 is not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it. Provisions of service tax, provident fund, employees' state insurance, wealth tax, customs duty, excise duty and cess are not applicable to the Company.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. Provisions of service tax, provident fund, employees' state insurance, wealth tax, customs duty, excise duty and cess are not applicable to the Company.
(c) There are no dues of income tax and other material statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has no outstanding dues during the year from any financial institution; bank or debenture holders or government and accordingly the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.



- (xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For SESHACHALAM & CO

Chartered Accountants

Firm registration number: 003714S

T. Bharadwaj

Partner

Membership No.201042

Place : Hyderabad

Date : 15.05.2018



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

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

TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED

We have audited the internal financial controls over financial reporting of B. N. Rathi Industries Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 17, 2018 expressed an unqualified opinion.

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

T. Bharadwaj
Partner
Membership No.201042

Place : Hyderabad
Date : 15.05.2018



1. Corporate Information:

B. N. Rathi Industries Private Limited ("BNRIPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on August 13, 2012. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

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

2. Significant Accounting Policies:

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

a) Statement of Compliance:

The company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, read with section 133 of the Companies Act 2013, with effect from April 01, 2017.

The adoption was carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. Previous period comparatives in the separate financials statements have been restated to Ind AS, in accordance with Ind AS 101. The Company has presented a reconciliation from the presentation of financials statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 01, 2016 and of the total comprehensive income for the year ended March 31, 2017.

b) Basis of preparation:

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

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

c) Use of estimates and judgements:

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

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

d) Current versus non-current classification:

The company presents assets and liabilities in the balance sheet based on current/non-current classification.



An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or,
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or,
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

e) Impairment of assets:

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

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

f) Revenue Recognition:

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

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

Revenue on sale of property is recognized based on percentage completion method and upon transferring significant risks and rewards of ownership associated with the real estate property.



g) Leases:

Where the lessor effectively retains all risk and benefits of ownership of the leased items, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis.

h) Financial Instruments:

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

- a. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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



De-recognition of financial liabilities

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

c. Offsetting financial instruments

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

i) Income Taxes:

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

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

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

j) Provisions, contingent liabilities and contingent assets:

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

Contingent liability is disclosed for:



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

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

k) Cash and cash equivalents:

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

l) Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

m) Earnings per share:

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

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



B. N. RATHI INDUSTRIES PRIVATE LIMITED

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipment		-	-	-
(b) Intangible assets		-	-	-
(c) Financial Assets				
- Investments	3	45,00,000	-	-
- Loans		-	-	-
Total Non-Current Assets [A]		45,00,000	-	-
2 Current Assets				
(a) Financial Assets				
- Investments	4	-	30,16,774	-
- Cash and cash equivalents	5	9,05,600	4,54,956	14,896
- Bank balances other than above	6	-	20,00,000	52,00,000
(b) Income Taxes	7	-	-	20,584
(c) Other current assets	8	-	14,737	27,607
Total Current Assets [B]		9,05,600	54,86,467	52,63,087
TOTAL ASSETS [A+B]		54,05,600	54,86,467	52,63,087
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	9	50,00,000	50,00,000	50,00,000
(b) Other Equity	10	3,82,590	4,28,320	2,35,678
Total Equity [A]		53,82,590	54,28,320	52,35,678
2 Current Liabilities				
(a) Financial Liabilities				
- Trade payables	11	10,000	10,000	10,000
(b) Income Taxes	12	13,010	48,147	-
(d) Other current liabilities	13	-	-	17,409
Total Current Liabilities [C]		23,010	58,147	27,409
TOTAL EQUITY AND LIABILITIES [A+B+C]		54,05,600	54,86,467	52,63,087
Corporate information	1			
Summary of significant accounting policies	2			
Accompanying notes forming an integral part of the financial statements	1 to 27			

As per our Report of even date.

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

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

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 15.05.2018

**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, 2018

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I REVENUE			
Revenue from Operations (Gross)		-	-
Other Income	14	2,32,851	3,23,300
TOTAL REVENUE [I]		2,32,851	3,23,300
II EXPENSES			
Finance costs	15	11,207	-
Other Expenses	16	2,41,986	52,014
TOTAL EXPENSES [II]		2,53,193	52,014
III Profit Before Tax [I-II]		(20,342)	2,71,286
IV Tax Expense			
- Current tax	17	25,387	78,644
V Profit for the year		(45,729)	1,92,642
VI Other Comprehensive Income		-	-
VII Earnings per Equity Share			
Rs. 10/- each fully paid			
- Basic	21	(0.09)	0.39
- Diluted	21	(0.09)	0.39
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 27		

As per our Report of even date.

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

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

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 15.05.2018



B. N. RATHI INDUSTRIES PRIVATE LIMITED

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Cash Flow Statement for the year ended 31st March, 2018

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		(20,342)	2,71,286
Adjustments:			
Interest Income		(1,23,767)	(3,04,970)
Operating profit before changes in assets and liabilities		(1,44,109)	(33,684)
Changes in assets and liabilities			
(Decrease)/increase in trade payables		-	-
(Decrease)/increase in other current liabilities		-	(17,409)
(Increase)/decrease in loans and advances		-	(20,584)
Cash generated from operations		(1,44,109)	(71,677)
Direct taxes paid (Net of refunds received)		60,524	(10,671)
Net cash flow (used in)/from operating activities [A]		(2,04,633)	(61,006)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in mutual funds		30,16,774	(30,16,774)
Investments		(45,00,000)	-
Interest Income		1,38,503	3,17,840
Net cash flow (used in)/from investing activities [B]		(13,44,723)	(26,98,934)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption / (Investment) in bank deposits		20,00,000	32,00,000
Net cash flow (used in)/from financing activities [C]		20,00,000	32,00,000
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		4,50,644	4,40,060
E. Cash and cash equivalents	5		
at the beginning of the year		4,54,956	14,896
at the end of the year		9,05,600	4,54,956
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		9,05,529	4,54,885
- Deposits with original maturity of less than 3 months		-	-
Cash on hand		71	71
Less: Bank overdraft		-	-
Cash and cash equivalents at the end of the year		9,05,600	4,54,956
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 27		

As per our Report of even date.

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

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

T. Bharadwaj
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Chetan Rathi
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Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 15.05.2018

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Statement of Changes in Equity for the year ended March 31, 2018****A. Equity Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	50,00,000	50,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	50,00,000	50,00,000

B. Other Equity

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2018
B. Other Equity		
I. Retained Earnings		
(i) Opening Balance	4,28,320	2,35,678
(ii) Profit for the year	(45,729)	1,92,642
Total	3,82,590	4,28,320

As per our Report of even date.

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

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

T. Bharadwaj
Partner
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Chetan Rathi
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Director
DIN : 05278997

Place : Hyderabad
Date : 15.05.2018

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

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 3 : Non-Current Investments**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Unquoted Investments			
Other Investments			
- BNR Food Specialities LLP	45,00,000	-	-
Total	45,00,000	-	-

Note 4 : Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted investments in mutual funds (valued at fair value through profit and loss account)			
- Birla Sun Life Cash Plus - (G)	-	30,16,774	-
[Nil (31.03.2017:11580.119) Units of Rs. 100 each]			
Total	-	30,16,774	-

Note 5 : Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with banks			
- In current accounts	9,05,529	4,54,885	14,825
- Deposits with original maturity of less than 3 months	-	-	-
Cash on hand	71	71	71
Total	9,05,600	4,54,956	14,896

Note 6 : Bank balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
On deposit accounts			
- Remaining maturity for more than 12 months-	-	-	-
- Remaining maturity for less than 12 months	-	20,00,000	52,00,000
Total	-	20,00,000	52,00,000

Note 7 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	-	-	20,584
Current Tax Liabilities	-	-	-
Total	-	-	20,584


B. N. RATHI INDUSTRIES PRIVATE LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
Note 8 : Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Interest accrued on deposits with banks and others	-	14,737	27,607
Total	-	14,737	27,607

Note 9: Share Capital

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of Rs.10 each	15,00,000	1,50,00,000	5,00,000	50,00,000	5,00,000	50,00,000
	15,00,000	1,50,00,000	5,00,000	50,00,000	5,00,000	50,00,000
Issued, subscribed and fully paid:						
Equity shares of Rs.10 each	5,00,000	50,00,000	5,00,000	50,00,000	5,00,000	50,00,000
Total	5,00,000	50,00,000	5,00,000	50,00,000	5,00,000	50,00,000

(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
Equity shares				
Year ended March 31, 2018				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000
Year ended March 31, 2017				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000
Year ended March 31, 2016				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000


B. N. RATHI INDUSTRIES PRIVATE LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018
(b) Shares held by holding company

Name of the Shareholder	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	5,00,000	100.00%	5,00,000	100.00%	5,00,000	100.00%

(c) Rights, preferences and restrictions attached to shares : The company has one class of equity shares having a face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

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

Name of the Shareholder	As at 31 st March 2018		As at 31 st March 2017		As at 01 st April 2016	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	5,00,000	100.00%	5,00,000	100.00%	5,00,000	100.00%

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

Note 10 : Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Retained Earning	3,82,590	4,28,320	2,35,678
Total	3,82,590	4,28,320	2,35,678

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

Nature and purpose of Other Equity:
(a) Retained Earnings

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

Note 11 : Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables (Refer Note 22 & 23)	10,000	10,000	10,000
Total	10,000	10,000	10,000

Note 12 : Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax	12,377	30,497	-
Current Tax Liabilities	25,386	78,644	-
Total	13,010	48,147	-

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

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**Note 13 : Other Current Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Remittances	-	-	16,909
Other Payables	-	-	500
Total	-	-	17,409

Note 14 : Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on fixed deposit with bank	1,23,767	3,04,970
Miscellaneous income	-	1,556
Fair value gain on investments	-	16,774
Excess provision written back	2,621	-
Profit on sale of investments in Mutual Funds	1,06,463	-
Total	2,32,851	3,23,300

Note 15 : Finance Costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on delayed remittance of income tax	5,024	-
Interest on Overdraft	6,183	-
Total	11,207	-

Note 16 : Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent [Refer Note 19 & 20]	24,000	24,000
Communication	10,286	10,014
Rates and taxes	18,100	5,050
Advertisement Expenses	7,500	-
Legal and professional	1,72,100	1,500
Audit fee		
- Statutory audit	-	10,000
Miscellaneous expenses	-	1,450
Total	2,31,986	52,014



B. N. RATHI INDUSTRIES PRIVATE LIMITED

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018

Note 17 : Income Tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	25,387	78,644
- Adjustments in respect of current income tax of previous year	-	-
	25,387	78,644
Income tax expense reported in the statement of Profit or loss	25,387	78,644
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	(20,342)	2,71,286
Indian tax rate	25.75%	30.90%
Tax at the Indian tax rate	-	83,827
Effect of:		
Non-Deductible expenses for tax purposes	-	-
Tax exempt income	-	-
Income taxed at special rates	25,387	-
Others	-	(5,183)
Total Income Tax Expense	25,387	78,644

18. Segment Information

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

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

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**19. Related party disclosures****a) Names of the related parties and nature of relationship (as per Ind AS 24)**

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rath Securities Limited
Investment in LLP	BNR Food Specialities LLP
Key Management Personnel (KMP):	Chanda Devi Rath
Relatives of Key Management Personnel (KMP):	Hari Narayan Rath - Husband of Chanda Devi Rath Chetan Rath - Son of Chanda Devi Rath

b) Transactions with related parties:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent Paid:	24,000	24,000
- Chanda Devi Rath	24,000	24,000
Investments Made	45,00,000	-
- BNR Food Specialities LLP	45,00,000	-

c) Related Party Balances :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Investments Made	45,00,000	-
- BNR Food Specialities LLP	45,00,000	-

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

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cancellable	24,000	24,000
Total	24,000	24,000

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

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(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**21. Earnings per Share (EPS):****(i) Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after taxation as per statement of profit and loss (for basic EPS)	(45,729)	1,92,642
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	(45,729)	1,92,642

(ii) Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of weighted average equity shares considered for calculating of basic EPS	5,00,000	5,00,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	5,00,000	5,00,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Basic (Rs.)	(0.09)	0.39
- Diluted (Rs.)	(0.09)	0.39

22. Balance Confirmations

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

23. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2018 and March 31, 2017 in the financial statements based on information received and available with the company.

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

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Notes to Financial Statements for the year ended March 31, 2018****ii. Financial assets and financial liabilities measured at fair value**

Particulars	March 31, 2018	March 31, 2017
Fair Value Hierarchy	1	1
Financial Assets		
Investments in Mutual funds	-	30,16,774
Fair Value Hierarchy	3	3
Financial Assets		
Other Investments	45,00,000	-

iii. Financial Instruments by category

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

Particulars	31st March, 2018			31st March, 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Other investments	-	-	45,00,000	-	-	30,16,774
Cash and cash equivalents	-	-	9,05,600	-	-	4,54,956
Other bank balances	-	-	-	-	-	20,00,000
Others						
Total	-	-	54,05,600	-	-	54,86,467
Financial Liabilities						
Trade Payables	-	-	10,000	-	-	10,000
Total	-	-	10,000	-	-	10,000

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

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

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

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

**Notes to Financial Statements for the year ended March 31, 2018****a. Interest rate risk**

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

ii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2018</u>				
Borrowings	-	-	-	-
Trade Payables	10,000	-	-	10,000
Total	10,000	-	-	10,000
<u>March 31, 2017</u>				
Borrowings	-	-	-	-
Trade Payables	10,000	-	-	10,000
Total	10,000	-	-	10,000

26. Capital Risk Management

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

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

**Notes to Financial Statements for the year ended March 31, 2018**

Particulars	31st March, 2018	31st March, 2017
Borrowings	-	-
Total Debt	-	-
As a percentage of total capital	0.00%	0.00%
Equity (Refer Note 9 and 10)	53,92,590	54,28,320
As a percentage of total capital	100.00%	100.00%
Total Capital (Debt and Equity)	53,92,590	54,28,320

27. First Time Adoption of Ind AS

The company has adopted the Indian Accounting Standards (Ind AS) during the year and accordingly these are the company's first financial statements prepared in accordance with Ind AS.

As per the Ind AS 101 First time adoption of Indian Accounting Standards, first time adopter shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind ASs. This is the starting point for accounting in accordance with Ind AS. The date of transition for the company is April 01, 2016.

The accounting policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet at April 01, 2016, the date of transition. In preparing its comparative financial statements including opening balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out below.

a. Ind AS mandatory exemptions

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from previous GAAP:

(i) Classification and measurement of financial assets

Ind AS 101 requires an entity to classify and measure its financial asset into amortized cost, fair value through OCI or fair value through profit or loss based on the business model assessment or on solely payment of principal and interest (SPPI) criteria based on facts and circumstances that exist at the date of transition.

(ii) Estimates

Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind AS. Upon an assessment of the estimates made under previous GAAP, the company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

(iii) De-recognition of financial assets and liabilities

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.



B. N. RATHI INDUSTRIES PRIVATE LIMITED

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Notes to Financial Statements for the year ended March 31, 2018

c. Reconciliation between previous GAAP and Ind AS:

(i) Reconciliation of Balance Sheet as at April 01, 2016 and March 31, 2017:

Particulars	Note	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS	Previous GAAP	Effects of Transition to Ind-AS	IND AS
A ASSETS							
1 Non-Current Assets							
(a) Property, plant and equipment		-	-	-	-	-	-
(b) Intangible assets		-	-	-	-	-	-
(c) Financial Assets							
- Investments		-	-	-	-	-	-
- Loans		-	-	-	-	-	-
Total Non-Current Assets [A]		-	-	-	-	-	-
2 Current Assets							
(a) Financial Assets	1						
- Investments		-	-	-	30,00,000	16,774	30,16,774
- Cash and cash equivalents		14,896	-	14,896	-	-	-
- Bank balances other than above		52,00,000	-	52,00,000	4,54,956	-	4,54,956
(b) Income Taxes.		20,584	-	20,584	20,00,000	-	20,00,000
(c) Other Current Assets		27,607	-	20,584	14,737	-	14,737
Total Current Assets [B]		52,63,087	-	52,63,087	54,69,693	16,774	54,86,467
TOTAL ASSETS [A + B]		52,63,087	-	52,63,087	54,69,693	16,774	54,86,467
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share Capital		50,00,000	-	50,00,000	50,00,000	-	50,00,000
(b) Other Equity	1	2,35,678	-	2,35,678	4,11,546	16,774	4,28,320
Total Equity [A]		52,35,678	-	52,35,678	54,11,546	16,774	54,28,320
2 Current Liabilities							
(a) Financial Liabilities							
- Trade payables		10,000	-	10,000	10,000	-	10,000
(b) Income Taxes		-	-	-	48,147	-	48,147
(d) Other current liabilities		17,409	-	17,409	-	-	-
Total Current Liabilities [C]		27,409	-	27,409	58,147	-	58,147
TOTAL EQUITY AND LIABILITIES [A+B+C]		52,63,087	-	52,63,087	54,69,693	16,774	54,86,467



Notes to Financial Statements for the year ended March 31, 2018

(ii) Reconciliation of Net Profit for the year ended March 31, 2017:

Particulars	Note	For the year ended March 31, 2017		
		Previous GAAP	Effects of Transition to Ind-AS	IND AS
I REVENUE				
Revenue from Operations (Gross)		-	-	-
Other Income	1	3,06,526	16,774	3,23,300
TOTAL REVENUE [I]		3,06,526	16,774	3,23,300
II EXPENSES				
Finance costs		-	-	-
Other expenses		52,014	-	52,014
TOTAL EXPENSES [II]		52,014	-	52,014
III Profit Before Tax [I-II]		2,54,512	16,774	2,71,286
IV Tax Expense				
- Current tax		78,644	-	78,644
V Profit for the year		1,75,868	16,774	1,92,642
VI Other Comprehensive Income		-	-	-

(iii) Changes in Cash Flow Statement for the year ended March 31, 2017:

The Ind AS adjustments are either non-cash adjustments or are re-grouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

(iv) Reconciliation of Equity :

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity (Shareholders' funds) under previous GAAP		54,11,546	52,35,678
Changes in equity due to Ind AS Adoption			
- Effect of measuring investments at fair value		16,774	-
Equity under Ind AS GAAP		54,28,320	52,35,678

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2018**c. Notes to first time adoption****1. Investments**

Under Previous GAAP, equity instruments and mutual funds were classified as non-current and current investments based on the intended holding period and realizability. Non-current investments are carried at cost. Provision for diminution in the value of non-current investments is made in case the decline in the value is not temporary in nature. Current investments are stated at lower of cost or fair value.

Under Ind AS, investments are valued at fair value. The resulting fair value changes in investments measured at fair value through profit and loss (FVTPL), have been recognized in retained earnings as at the transition date and subsequently in the statement of profit and loss.

As per our Report of even date.

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

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

T. Bharadwaj
Partner
Membership No. 201042

Chetan Rathi
Director
DIN : 00536441

Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 15.05.2018



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 32nd Annual General Meeting of the Company, to be held on Thursday, 9th day of August, 2018 at 10.00 A.M. at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad - 500 004 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 31.03.2018.
2. Declaration of Dividend for the financial year 31.03.2018.
3. Appointment of Mr. Chetan Rathi as Director who retires by rotation.
4. Appointment of statutory auditors and fixation of their remuneration.
5. Reappointment of Managing Director With Effect From 1st October, 2018.
6. Reappointment of Executive Director With Effect From 1st April, 2018
7. Reappointment of Mr. Laxminiwas Sharma as Independent Director w.e.f.1st April, 2019
8. Reappointment of Mr.K. Harishchandra Prasad as Independent Director w.e.f.1st April, 2019

Signed this day of 2018

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, Telangana



ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 32nd Annual General Meeting of the members of the company to be held on Thursday 9th of August, 2018 at 10.00 A.M. at FTAPCCI Auditorium, FTAPCCI , Federation House, Red Hills, Hyderabad – 500 004, Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

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

Folio No. / Client ID _____

DP ID _____

No. of shares held _____

Note:

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

B.N. RATHI SECURITIES LIMITED

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

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

Tel. : 040-40527777, 40727777, Fax : +91-40-40526283