



**NOTICE
FOR
TRADE CREDITORS**

**HON'BLE NATIONAL COMPANY LAW TRIBUNAL
CONVENED MEETING OF
THE TRADE CREDITORS
OF
M/S. B.N. RATHI SECURITIES LIMITED
(CIN: L65993TG1985PLC005838)
REGD OFF: 6-3-652,IV FLOOR, KAUTILYA AMRUTHA
ESTATES,SOMAJIGUDA HYDERABAD, TELANGANA - 500082
EMAIL: mvrao@bnrsecurities.com, WEBSITE:
www.bnrsecurities.com**

DAY	THURSDAY
DATE	9TH DAY OF AUGUST, 2018
TIME	12:30 P.M
VENUE	FTAPCCI AUDITORIUM, FTAPCCI, FEDERATION HOUSE, RED HILLS, HYDERABAD, TELANGANA - 500004.

M/S. B.N. RATHI SECURITIES LIMITED
(CIN: L65993TG1985PLC005838)
REGD OFF: 6-3-652, IV FLOOR, KAUTILYA AMRUTHA
ESTATES, SOMAJIGUDA HYDERABAD, TELANGANA –
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EMAIL: mvrao@bnrsecurities.com, WEBSITE:
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NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL
CONVENED MEETING OF THE TRADE CREDITORS OF THE
COMPANY

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, II, AT HYDERABAD
C.A.(CAA)NO.588/230/HDB/2018
IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)
IN THE MATTER OF SECTIONS 230 TO 232 OF THE
COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
AND
IN THE MATTER OF M/S. B.N. RATHI SECURITIES LIMITED
(TRANSFEREE COMPANY)
AND
M/S. B N RATHI COMTRADE PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

M/s. B.N. Rathi Securities Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing CIN: L65993TG1985PLC005838 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana - 500082, India, represented by its Managing Director, Mr. Hari Narayan Rathi, email:mvrao@bnrsecurities.com, Ph: 9347204543.

....1st Applicant / Transferee Company

**NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE
TRADE CREDITORS OF M/S. B.N. RATHI SECURITIES
LIMITED / 1ST APPLICANT / TRANSFEREE COMPANY AS
PER THE DIRECTIONS OF THE HON'BLE NATIONAL
COMPANY LAW TRIBUNAL**

**To
The Trade Creditors of
M/s. B.N. Rathi Securities Limited
("Company" or "Applicant Company" or "Transferee Company")**

Notice is hereby given that by an order dated the 3rd day of July, 2018, the Hyderabad Bench of the Hon'ble National Company Law Tribunal, has directed a meeting to be held of trade creditors of M/s. B.N. Rathi Securities Limited for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors, by passing the following Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications, amendments, re-enactments thereof for the time being in force, applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 [**SEBI (LODR) Regulations**], the provisions of SEBI Circular No. **CFD/DIL3/CIR/2017/21**, dated 10th March, 2017, the National Company Law Tribunal Rules, 2016, the

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the provisions of the Memorandum and Articles of Association of the Company, the draft “Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors” (“**Scheme**”), providing for amalgamation of M/s. B N Rathi Comtrade Private Limited (Transferor Company) with the Company on a going concern basis with effect from 01.04.2018 (First Day of April, Two Thousand and Eighteen) being the appointed date, as placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from, the Hon’ble National Company Law Tribunal, II, Hyderabad or such other competent authority as may be applicable,.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble National Company Law Tribunal, II, Hyderabad, while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be, required for

the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper”.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of trade creditors of M/s. B.N. Rathi Securities Limited will be held on 9th day of August, 2018, at 12:30 P.M. at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad-500004, Telangana, India, at which time and place the trade creditors of the Company are requested to attend and vote.

Creditors entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

A copy of the Scheme of Amalgamation, Explanatory Statement under section 102 read with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a Report adopted by the Board of Directors of the Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders of the Company, Audited Accounting Statements of the Transferee Company and the Transferor Company for the period ended on 31st March, 2018, a form of Proxy and attendance slip are forming part of this notice. Forms of proxy will also be made available at the registered office of the Company.

The above mentioned Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors, if approved by the meeting, will be subject to the subsequent approval of the National Company Law Tribunal II at Hyderabad.

**Sd/-
Narasimha Rao T.V.L, advocate,
Chairman appointed by
Hon'ble NCLT-II, Hyderabad
vide order dated 03.07.2018**

**6-2-101/7/A&B,
G1 and G2, Mani Plaza,
New Bhoiguda,
Secunderabad-500033
Ph. No. 040-27531818**

**Dated this the 6th day of July, 2018
Hyderabad**

Notes:

- 1. A TRADE CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A TRADE CREDITOR OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.**
2. No person shall be appointed as a proxy who is a minor.
3. Trade Creditors of the Transferee /1st Applicant Company whose value is over and above Rs.5,00,000 /- (Rupees Five Lakhs Only) as on 30th day of June, 2018, may attend and vote at the meeting. The Authorised Representative of a body corporate which is a trade creditor of the Applicant Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of such body corporate authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.

4. The proxy of a trade creditor blind or incapable of writing may be accepted if such trade creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address. Provided that all insertions in the proxy are in the hand writing of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the trade creditor before he attached his signature or mark.
5. The proxy of a trade creditor who does not know English may be accepted if it is executed in the manner prescribed at point no. 4 above and the witness certifies that it was explained to the trade creditor in the language known to him, and gives the trade creditor name in English below the signature.
6. A trade creditor or his/her Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
7. The notice is being sent to all trade creditors, whose value is over and above Rs.5,00,000 /- (Rupees Five Lakhs Only) as on 30th day of June, 2018 and whose names appeared in the book of account of the Transferee/1st Applicant Company as on 30th day of June, 2018. This notice of the Tribunal Convened Meeting of trade creditors of the Applicant Company is also displayed / posted on the website of the Company i.e. at www.bnrsecurities.com.

- 8.** Trade creditors desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by them may be made available at the meeting.
- 9.** All relevant documents referred to in the accompanying Explanatory Statement are open for inspection at the registered office of the Company on all working days (except on Saturdays, Sundays and Public holidays) between 2:00 P.M. to 5.00 P.M. up to 3rd day of August, 2018.
- 10.** The results of the voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the Scrutinizer's report shall be placed on the website of the Company i.e. at www.bnrsecurities.com.
- 11.** All the trade creditors, whose name appeared in the book of account of the Applicant Company as on 30th day of June, 2018, may cast their vote (for or against) through Poll at the Tribunal Convened Meeting on 9th day of August, 2018, at 12:30 P.M.
- 12.** The voting rights of the trade creditors shall be in proportion to the outstanding amount due by the Company as on 30th day of June, 2018.
- 13.** The Resolution provided in this notice seeks your approval to the said Scheme. The Scheme of Amalgamation, Explanatory Statement

under section 102 read with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a Report adopted by the Board of Directors of the Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders of the Company, Audited Accounting Statements of the Transferee Company, and the Transferor Company for the period ended on 31st March, 2018, a form of Proxy and attendance slip are forming part of this notice

**Sd/-
Narasimha Rao T.V.L, advocate,
Chairman appointed by
Hon'ble NCLT-II, Hyderabad
vide order dated 03.07.2018**

**6-2-101/7/A&B,
G1 and G2, Mani Plaza,
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Ph. No. 040-27531818**

**Dated this the 6th day of July, 2018
Hyderabad**

**BEFORE THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, II, AT HYDERABAD
C.A.(CAA)NO.588/230/HDB/2017
IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)
IN THE MATTER OF SECTIONS 230 TO 232 OF THE
COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
AND
IN THE MATTER OF M/S. B.N. RATHI SECURITIES LIMITED
(TRANSFEEE COMPANY)
AND
M/S. B N RATHI COMTRADE PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
EXPLANATORY STATEMENT UNDER SECTION 102 READ
WITH SECTIONS 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013 AND DETAILS
& INFORMATION AS REQUIRED UNDER RULE 6 OF THE
COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATIONS) RULES, 2016**

1. A Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective

Shareholders and Creditors (“Scheme”), was proposed by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Companies for the purpose of Amalgamation of M/s. B N Rathi Comtrade Private Limited (Transferor Company) with M/s. B.N. Rathi Securities Limited (Transferee Company) on a going concern basis with effect from 01.04.2018 (First Day of April, Two Thousand and Eighteen) being the appointed date.

2. The said Scheme of Amalgamation was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Companies at their respective meetings held on 10.01.2018 (Tenth day of January, Two Thousand and Eighteen) and 08.01.2018 (Eighth Day of January, Two Thousand and Eighteen) respectively under the provisions of Sections 230 and 232 of Companies Act, 2013 by passing respective Board Resolutions. The Board of Directors of the Transferee Company approved the Scheme after taking into consideration the rationale of the Scheme, the Report of the Audit committee recommending the Scheme dated 10.01.2018 and the certificate issued by the statutory auditor of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
3. The Board of Directors of the Transferee Company at its meeting held on 10.01.2018, authorized, empowered and directed Mr. Hari Narayan Rathi, Managing Director of the Company and Mr. Chetan

Rathi, Whole-Time Director of the Company severally to file the Scheme along with necessary documents by making application, petition etc., with the Stock Exchanges, SEBI, NCLT and with such other authorities as may be required for taking their approval to the Scheme and further authorized, empowered and directed them to take all such necessary steps and actions to give effect to the provisions of the Scheme.

4. Pursuant to the authorisation given by the Board and SEBI circular-CFD/DIL3/CIR/2017/21 dated 10.03.2018 a copy of the Scheme was filed with the BSE Limited for the purpose of disclosure on 10.01.2018.
5. A joint application vide **C.A.(CAA) NO.588/230/HDB/2018** was made to the Hon'ble National Company Law Tribunal, II, Hyderabad, by the Company for obtaining the sanction of the Tribunal to the Scheme of Amalgamation under provisions of sections 230 to 232 of the Companies Act, 2013, on 23rd day of February, 2018.
6. The **C.A.(CAA) NO.588/230/HDB/2018**, was allowed by the Hon'ble National Company Law Tribunal, II, Hyderabad on the 3rd day of July, 2018 and pursuant to the Order dated 3rd day of July, 2018, passed by the Hon'ble Tribunal, in the **C.A.(CAA) NO.588/230/HDB/2018**, filed by the Transferee and Transferor Company, a meeting of the Trade Creditors of the M/s. B.N. Rathi Securities Limited is being convened on Thursday, the 9th day of

August, 2018, at 12:30 P.M. at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad - 500034, Telangana, India, for the purpose of considering, and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation between B.N Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors.

7. DESCRIPTION, INFORMATION AND OTHER DETAILS PERTAINING TO THE COMPANIES

7.1 M/s. B.N. Rathi Securities Limited (BNRSL) (Transferee Company) was incorporated as Lark Leasing Limited, under the Companies Act, 1956 vide Certificate of Incorporation dated 30th September, 1985 with Registration No. 5838 of 1985-86 in the erstwhile State of Andhra Pradesh (present State of Telangana). The Certificate of Commencement of Business was issued by the Registrar of Companies, Andhra Pradesh on 14th October, 1985. The name of the Company was then changed to M/s. B.N. Rathi Securities Limited and fresh Certificate of Incorporation was issued by the Registrar of Companies, Andhra Pradesh on 15th September, 1994. The Present Corporate Identity Number (CIN) of the Company is L65993TG1985PLC005838 and the PAN of the Company is AABC6140Q (Hereinafter referred to as the “Transferee Company”)

7.2 The Transferee Company is a Listed Company having its shares listed and traded on BSE Limited bearing BSE Scrip Code 523019.

7.3 The Registered office of the Transferee Company is situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, - 500082, Telangana, India.

7.4 The main objects of the Transferee Company are as follows:

- a) To carry on and undertake the business of finance, investment, hire purchase, leasing and to finance lease operations of all kinds, purchasing and selling, hiring or letting on hire all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description and to purchase or otherwise deal in all forms of immovable and movable property including lands and buildings, plant and machinery equipment, ship, aircrafts, automobiles, computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased and leased be new and or used.
- b) To invest in and acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stocks, bonds obligations and securities, issued or guaranteed by any Government, state, dominion, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise whether in India or elsewhere and to guarantee the subscription thereof and exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

- c) To advance, deposit or lend money, on securities and properties to or with any company, body corporate, firm, person or association so as to enable them to commence or expand any industrial or commercial activity or for their business purposes, with or without security and on such terms as may be determined from time to time and to discount, buy, sell or deal in bills, notes, warrants, coupons and others negotiable or transferable securities or documents and to guarantee the performance of any contract of any such person. However the Company shall not carry on the business of Banking within the meaning of the Banking Regulation Act 1949.
- d) To setup incorporate and manage, provide and / or participate in providing venture capital, technology funds, underwriting fund or any other funds for seed capital, risk capital foundation, including giving guarantees or such other financial assistance as may be conducive for development of existing and new technology, to identify projects, project ideas, to prepare project profiles, project reports, marketer search, feasibility studies and reports, pre investment studies and investigation of industries in micro and macro level, to undertake appropriate service to identify scopes or potential for economic and industrial development in any particular geographical area or location in India or abroad, to act as lead managers in respect of project assignment by undertaking follow up supervision and coordination work at the instance, behest or on behalf of banks, financial institutions, companies, bodies corporate and to monitor the same to the participants, to act as an professions systems and by introducing modern methods and techniques and systems and render all assistance as may be necessary including acting as agents for recruitment of personnel, technical, skilled, un-skilled, supervisory, managerial and

otherwise and to act as an advisor in the selection of technical process, economic size source of plant and machinery and other utilities for business entrepreneurs.

- e) To act administrators or managers of any investment trusts of funds including any growth funds income or capital funds, taxable or tax exemption funds, provident funds, pension funds, gratuity funds, superannuation funds, charitable funds and unit trusts or consortium to act as trustees for bond holders, debenture holders and other purposes herein mentioned and to manage investment pools, mutual funds, issue of shares, securities, bonds and other negotiable instruments and securities and to carry on the business of finance, trust, legal trust and to finance industrial organization and to promote companies engaged in industrial and trading business.
- f) To carry on the business of merchant banking in all aspects, to act as manages to issues and offers, whether by way of public offer or otherwise, of shares, debentures, bonds, units, participation certificates, deposit certificates, notes, bills warrants or any other, instrument whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the “Securities”) to act as agents of and / or dealers in the securities in the course of merchant banking business, to act as financial consultants, join manages, lead managers, co-managers, advisors stand by or procurement arrangement, to issue guarantees or it give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to manage portfolio investments, to provide financial and investment assistance for the purpose herein, to act as issue house, registrars to issue, transfer agents, to manage and administer computer centres and clearing house

for securities to form syndicates or consortia of managers, agents and purchasers for or any of the securities, to acquire and hold one or more membership in stock /securities exchange, trade association, commodity exchanges, clearing houses or associations or otherwise in India or any part of the world to act as brokers, dealers and agents in connections with the securities, bullions and precious metals or others, to syndicate any financial arrangements whether in domestic market or in international market and whether by way of loans or guarantees or export and yard credit, and to acquire and hold membership in any association of bankers, security dealers or commodity dealers or commodity dealers or any other associations, membership of which will is likely in any way to facilitate the conduct of the companies business, to undertake the work of factoring of bills and other commercial papers, and to arrange and / or co-ordinate documentation and negotiation in this regard.

- g) To carry on business as underwriters and brokers of stock shares, debentures stock, Government Bonds, Units of Unit Trust, National Savings Certificates, capitalists and financiers and to undertake depository participants activities and for that purpose to obtain the membership of the Depositories under the Depositories act, 1996 by registering with the Central Depository Se3rvices (India) Limited and/or National Securities Depository Limited or such other entity as may be recognized in this behalf and provide services such as demat account opening and maintenance, dematerialization and rematerialization of shares and other applicable securities, provision of transaction statements, transaction execution, creation and cancellation of pledge of securities, facilitating settlement of trades through market transactions, off-market transfers and inter-depository transfers,

distribution of non-cash corporate sections, nomination / transmission and other demat related services.

7.5 The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31.03.2017:

Share Capital	Amount in Rs.
Authorised Capital	
60,00,000 equity shares of Rs. 10/- each	6,00,00,000
Total	6,00,00,000
Issued, Subscribed and Paid up Capital	
50,40,000 equity shares of Rs. 10/- each	5,04,00,000
Total	5,04,00,000

Details of promoters of Transferee Company:

Sl. No.	Full Name	Present Address
1.	Hari Narayan Rathi	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.
2.	Chetan Rathi	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.
3.	Chanda Devi Rathi	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.
4.	Nisha Rathi	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.

7.6 Details of directors of Transferee Company:

Full Name	DIN	Present Address	Designation	Date of Appointment
Sri. Laxminiwas Sharma	00010899	15/16,Panchavati Colony, Brij Syed Road, Bowenpally, Secunderabad - 500009	Chairman & Director	29/01/1990
Sri. Hari Narayan Rathi	00010968	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.	Managing Director	01/10/2010
Sri. Harishchandra Prasad Kanuri	02753145	8-2-674/B/4, Road No. 12, Bnajara Hills, Hyderabad-500034	Director	06/06/1994

Sri. Chetan Rathi	00536441	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.	Whole-Time Director and CFO	01/04/2010
Smt. Shanti Sree Bolleni	07092258	H.No. 8-2-293/82/HE/2, HUDA, Ashwini Layout, Road No. 70, Jubilee Hills, Hyderabad – 500033	Director	12/02/2015

7.7 Name of the Directors of M/s. B.N. Rathi Securities Limited (Transferee Company) who voted in favor of the Resolution approving the Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors at the meeting of the Board of Directors of the Company held on 10.01.2018:

Sl. No.	Name of the Directors
1.	Sri. Laxminiwas Sharma
2.	Sri. Hari Narayan Rathi
3.	Sri. Harishchnadra Prasad Kanuri
4.	Sri. Chetan Rathi
5.	Smt. Shanti Sree Bolleni

- 7.8 None of the Directors voted against the resolution.
- 7.9 The Transferee Company owes an amount of Rs.5,46,872.96/- (Rupees Five Lakhs Forty Six Thousand, Eight Hundred, Seventy Two and Ninety Six paise only) to 1 (one) Secured Creditors i.e. as on 5th day of February, 2018. The Transferee Company owes an amount of Rs. 11,83,26,317.65/- (Rupees Eleven crores, Eighty Three Lakhs, Twenty Six Thousand, Three Hundred and Seventeen and Sixty Five Paise only) to 77 (Seventy seven) Trade Creditors as on 30th day of June, 2018 .
- 7.10 The aforesaid secured Creditors have given their respective consent by way of affidavit to the Scheme stating that they are aware of the Scheme of Amalgamation and that they do not have any objection to the proposed Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors. The Hon'ble Tribunal vide its order dated 3rd day of July, 2018, has dispensed with the requirement of convening the meeting of the Secured Creditor of the Company since Secured Creditor has furnished their consent to the Scheme. The Hon'ble Tribunal vide its order dated 3rd day of July, 2018, has also ordered to convene the meeting of the Trade Creditors of the Company whose value is over and above Rs.5,00,000/- as on 30.06.2018 for the purpose of considering and if, thought fir, approving with or without modifications, the Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited

(Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company).

7.11 **M/s. B.N. Rathi Comtrade Private Limited (BNRCPL) (Transferor Company)** was incorporated as a Private Limited Company under the name and style of " **M/s. B.N. Rathi Comtrade Private Limited**" in the erstwhile state of Andhra Pradesh (present State of Telangana) on 10.07.2008, under the provisions of Companies Act, 1956, vide Certificate of Incorporation 2008-09, issued by the Registrar of Companies, Andhra Pradesh. The Present Corporate Identity Number (CIN) of the Company is **U74900TG2008PTC060088**. The PAN of the Company is **AADCB5190J** (hereinafter referred to as the "**Transferor Company**")

7.12 The Registered Office of the Transferor Company is presently situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana- 500082 .

7.13 The main objects of the Transferor Company are as follows:

- a) To become a corporate member of recognised Commodity Stock Exchanges or any other recognised trading Exchanges and to act as Trading and Clearing members or brokers or dealers for all kinds of commodities and render consultancy services to all persons including traders, processors, corporate, regional trading centres, importers, exporters, co-operatives, industry associations in respect of all types of commodities whether in India or abroad. Subject to provisions contained in Forward Contracts (Regulation) Act, 1952 and Forward Contracts (Regulation) Rules 1952 and necessary approvals/permission from appropriate authorities from time to time.

- b) To carry on the business of trading in agricultural products, metals including precious metals precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities.
- c) To carry on the business as brokers, sub-brokers, market makers, arbitrageurs, investors and/or hedgers in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities permitted under the laws of India.

7.14 The authorized, issued, subscribed and paid-up share capital of Transferor Company as on 31.03.2017:

Share Capital	Amount in Rs.
Authorised Capital	
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid up Capital	
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000

7.15 The Transferor Company (BNRCPL) is the wholly-owned Subsidiary of the Transferee Company (BNRSL) and the entire paid up capital of the Transferor Company (BNRCPL) is held by the Transferee Company (BNRSL).

7.16 Details of Promoters of Transferor Company:

Sl. No.	Full Name	Present Residential Address
1.	BN Rathi Securities Ltd	Regd Off: 6-3-652,IV Floor, Kautilya Amrutha Estates, Somajiguda Hyderabad, Telangana - 500082

7.17 Details of directors of Transferor Company:

Full Name	DIN	Present Address	Designation	Date of Appointment
Sri. Hari Narayan Rathi	00010968	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.	Director	10/07/2008
Sri. Chetan Rathi	00536441	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.	Director	10/07/2008
Smt. Nisha Rathi	07092258	3-4-174/AF/107, Plot No 107, Ambiance Fort, Attapur, Rajendra Nagar, Hyderabad 500048.	Director	10/07/2008

7.18 Name of the Directors of M/s. B N Rathi Comtrade Private Limited (Transferor Company) who voted in favor of the Resolution approving the Scheme of Amalgamation and between M/s. B.N.

Rathi Securities (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors at the meeting of Board of Directors the Company held on 08.01.2018:

Sl. No.	Name of Directors
1.	Sri. Hari Narayan Rathi
2.	Sri. Chetan Rathi
3.	Smt. Nisha Rathi

7.19 None of the Directors voted against the resolution.

7.20 The Transferor Company does not have any Unsecured Creditors except in the nature of Trade Creditors. The number of Trade Creditors and the total amount due to the Trade Creditors as on 30th day of June, 2018 is 17 (Seventeen) for Rs. 1,50,83,134.36 /-(Rupees One Crore , Fifty Lakhs, Eighty Three thousand , One Hundred and Thirty Four and Thirty Six Paise only) .

7.21 The Hon'ble Tribunal vide its order dated 3rd day of July, 2018, has ordered to convene the meeting of the Trade Creditors for the purpose of considering and if, thought fir, approving with or without modifications, the Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company).

RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS

- a) M/s. B. N. Rathi Securities Limited (“**Transferee Company**”) is a registered stock broker under the Securities and Exchange Board of India (Stock Brokers and Sub-brokers Regulations) 1992 (“**Broking Regulations**”) and is a member of the National Stock Exchange of India Ltd., BSE Limited and a depository participant with Central Depository Services (India) Ltd.
- b) Likewise, M/s. B. N. Rathi Comtrade Private Limited (“**Transferor Company**”) is a registered commodities broker under the applicable rules with National Commodities and Derivatives Exchange Limited and Multi Commodity Exchange.
- c) The transferee company (BNRSL) carries on the business of commodity broking services through its wholly-owned subsidiary (“**transferor company**”) since the Broking Regulations until recently required segregation of the stock broking and commodity broking businesses by virtue of Rule (8) (1) (f) of SEBI Securities Contracts (Regulations) Rules, 1957, which restricted stock brokers dealing in securities to deal in commodity derivatives.
- d) However, 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 such restriction on the stock brokers has been omitted, the company proposes to amalgamate both the businesses of securities and commodity derivatives trading under one entity.

e) Since the transferor company and the transferee company are managed/run by the same management, the proposed merger would prove beneficial in the following ways :-

- With the inclusion of unutilised paid – up capital and reserves of Transferor Company would provide for a stronger balance sheet and net worth to meet capital needs of company for future growth and expansion.
- Exposure of shareholders of the Transferee Company to the larger business activities of the flagship broking and related business activities of the Group.
- Cost savings through legal entity rationalisation and elimination of intra group transactions.
- The compliances involved would reduce to a significant extent, enabling management of the transferee company to focus on the business.
- Board of Transferee Company to have greater oversight over the consolidated business operations of company.
- Reduction in operating expenses
- Reduction in maintenance cost
- Achieving business and administrative synergies

8. SCOPE OF THE SCHEME

The Scheme of Amalgamation provides for:

- i. Amalgamation of Transferor Company and/ with the Transferee Company.

- ii. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- iii. This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:
 - a) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.
 - b) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

9. SALIENT FEATURES OF THE SCHEME

- a) This Scheme of Amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and provides for the amalgamation of M/s. B N Rathi Comtrade Private Limited (**Transferor Company**) with M/s. B.N. Rathi Securities Limited (**Transferee Company**). The Scheme also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.
- b) **“Appointed date”** means **01.04.2018 (First day of April, Two Thousand and Eighteen)** or such other date as may be approved

by the Hon'ble National Company Law Tribunal at Hyderabad or such other competent authority having jurisdiction to sanction the Scheme. The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date.

- c) Subject to the provisions of this Scheme as specified herein and with effect from the appointed date, the entire amalgamating undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
 - i. The Amalgamating Undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 230 and 232 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub clauses (b) (c) and (d) below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.
 - ii. All the Immovable properties of the Transferor Company shall under the provisions of Sections 230 and 232 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Properties of the Transferee Company.

- iii. All the movable assets including but not limited to computers and equipment, office equipment, machineries, software's, products, websites, portals, capital work in progress, cash in hand of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.
- iv. In respect of movables other than those specified in sub clause (c) above, including, outstanding loans and advances, Investments (whether current or non - current), trade receivables, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and for be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 and 232 of the Companies Act, 2013.
- v. In relation to all licenses, franchises, permissions, approvals, consents, entitlements, sanctions, permits, rights, privileges and licenses including rights arising from contracts, deeds, license instruments and agreements, if any, belonging to the Transferor Company, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case maybe, as and when required. All secured and/or unsecured debts, if any, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheet of the

Transferor Company shall also, under the provisions of Sections 233 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

- vi. It is clarified that unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the borrowings/debts and assets comprising the Transferor Company are concerned:
- the security or charge, if any existing or created in future before the effective date, for the loans or borrowings of the Transferor Company shall, without any further act or deed continue to relate to the said assets after the Effective Date; and
 - the assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company;
- vii. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any government body, local authority or by any other person and availed by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- viii. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.
- ix. All the properties or assets of the Transferor Company whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall, upon the scheme becoming effective, be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/mutation records in case of immovable properties by such appropriate authorities.
- x. Any tax liabilities under the Income-tax Act, 1961, service tax laws/GST, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.
- xi. Any refund under the Income-tax Act, 1961, service tax laws/GST or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- xii. On or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Company under the Income-tax Act, 1961, service tax laws/GST and other laws, and to

claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company.

- xiii. All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date against the Transferor Company and from the Effective Date, the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

- xiv. All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 Service Tax law, GST and other laws) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Company on transactions with the Transferee Company, if any (from Appointed Date till Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

- xv. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- xvi. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961.
- d) Upon sanction of the Scheme by the Tribunal, **Clause V** of the Memorandum of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, or payment of any fees, stamp duty or levies, including fee payable to Registrar of Companies, stand altered, modified and amended pursuant to Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

“The Authorized Share Capital of the Company is Rs.7,00,00,000/- (Rupees Seven Crores Only) comprising 70,00,000 (Seventy Lakhs Only) equity shares of Rs.10/- (Ten Rupees) each. The Share Capital of the Company (whether original, increased or reduced) may be sub-divided, consolidated or divided into such classes of shares as may be allowed under law for the time being in force relating to companies with such privileges or rights as may be attached and to be held upon such terms as may be prescribed by the regulations of the Company.”

- e) Further, upon the Scheme becoming effective, all the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the investments of Transferee Company, as appearing on the Asset side of the Balance Sheet of Transferee Company, shall stand cancelled to the extent of book value of the equity shares of the Transferor Company.
- f) On completion of the scheme, all equity shares of the Transferor Company held by Transferee Company shall stand cancelled and the share certificates held by Transferee Company shall be destroyed.
- g) This Scheme is conditional upon and subject to:
 - i. it being agreed to by the respective requisite majorities of the members and various classes of creditors (if any) of the Transferor Company and the Transferee Company as required under the Act and the required consent of Hon’ble NCLT bench, Hyderabad being obtained.

ii. the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained; and

h) In the event of this Scheme failing to take effect before 31.03.2019 or such later date as may be agreed by the respective Boards of Directors of Transferee Company and Transferor Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Companies or their shareholders or creditors or employees or any other person. In such case, both the Companies shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

10. The Scheme of Amalgamation, if approved by the appropriate authorities and the Tribunal, shall not have any adverse impact or effect on the Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee Company and / or Transferor Companies. The Companies does not have any Depositors or Debenture Holders.

11. The Directors and KMP of the Transferee Company and the Directors of the Transferor Companies have no material interest in the proposed Scheme of Amalgamation except as shareholders in general and the

Scheme of Amalgamation shall not have any adverse effect on the Directors and Key Managerial Persons of respective Companies.

12. The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferee Company and Transferor Companies as on 31.03.2018 are as follows:

Name	Designation	No. of Shares held in Transferee Company	No. of Shares held in Transferor Company
Sri Laxminiwas Sharma	Chairman & Director	Nil	Nil
Sri. Hari Narayan Rathi	Managing Director	15,71,490	10*
Sri. Harishchandra Prasad Kanuri	Director	Nil	Nil
Sri. Chetan Rathi	Whole-time Director & CFO	4,48,534	10*
Smt. Shanti Sree Bolleni	Director	Nil	Nil

** the beneficial interest is held for and on behalf of M/s. B.N. Rathi Securities Limited*

13. The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and Transferee Company as on 31.03.2018 are as follows:

Name	Designation	No. of Shares held in Transferor Company	No. of Shares held in Transferee Company
Sri. Hari Narayan Rathi	Director	10*	15,71,490
Sri. Chetan Rathi	Director	10*	4,48,534
Smt. Nisha Rathi	Director	Nil	1,66,524

** the beneficial interest is held for and on behalf of M/s. B.N. Rathi Securities Limited*

- 14.** A report adopted by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Companies, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders is enclosed to this Notice.
- 15.** Audited Accounting Statements, of M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) for the period ended on 31st March, 2018, are enclosed to this Notice.
- 16.** The rights and interests of secured creditors and unsecured creditors of the Transferee Company or the Transferor Companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any

manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.

17. There are no winding up proceedings pending against the Transferee Company or Transferor Company as of date.
18. No inquiry or investigation under sections 235 to 251 of the Companies Act, 1956, or under Section 210 to 227 of Companies Act, 2013, is pending against Transferee or Transferor Company.
19. The financial position of the Transferee Company will not be adversely affected by the Scheme.
20. A copy of the Scheme has been filed by the Transferee Company and the Transferor company with the Registrar of Companies, Hyderabad, for the State of Telangana and the State of Andhra Pradesh on 12th day of January, 2018.
21. The Scheme of Amalgamation requires the approval / sanction / no objection from the following the regulatory and government authorities:
 - a) Registrar of Companies
 - b) Regional Director, South East Region
 - c) Official Liquidator
 - d) National Company Law Tribunal

The Companies are yet to obtain the sanction of Registrar of Companies, Regional Director, Official Liquidator and the National

Company Law Tribunal, Bench at Hyderabad. The approval of the aforesaid authorities will be obtained at appropriate time.

22. Inspection and / or extract by the Equity Shareholders of the Transferee Company, of the following documents is allowed at the Registered Office of the Company between 2:00 pm and 05:00 PM on all working days (except on Saturdays, Sundays and Public holidays) upto 3rd day of August, 2018:

- a) Company Joint Application No.
C.A.CAA)NO.588/230/HDB/2018 filed by M/s. B.N. Rathi Securities Limited and M/s. B N Rathi Comtrade Private Limited with the Hon'ble National Company Law Tribunal, II, Hyderabad.
- b) Certified copy of the order dated 3rd day of July, 2018, passed by the Hon'ble National Company Law Tribunal, II, Hyderabad in the C.A(CAA)NO. 588/230/HDB/2018.
- c) Resolution passed by the Board of Directors of M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) approving the Scheme of Amalgamation at their respective meetings held on 10.01.2018 and 08.01.2018 respectively.
- d) Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade

Private Limited (Transferor Company) and their respective Shareholders and Creditors.

- e) A certificate issued by Auditor of the company to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
- f) Memorandum and Articles of Association of Transferee Company and Transferor Companies.
- g) Audited Balance Sheet and Profit and Loss account of the Transferee Company and Transferor Companies for the financial year ended 31.03.2018.
- h) Report adopted by the Board of Directors of the Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders of the Company.

23. The Scheme of Amalgamation, if approved by the Equity Shareholders, shall be operative from the Appointed Date subject to the approval and directions of the National Company Law Tribunal at Hyderabad.

24. A copy of the Notice, the Explanatory Statement, the Scheme of Amalgamation, details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Report adopted by the Board of Directors of the

Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders of the Company, Audited Accounting Statements of the Transferee Company and Transferor Company for the period ended on 31st March, 2018, a form of Proxy and attendance slip and other relevant documents are also available on the website of the Company i.e. www.bnrsecurities.com and also available for inspection at the registered office on all working days except on Saturdays, Sundays and Public Holidays upto 3rd day of August, 2018 between 02:00 PM to 05:00 PM.

- 25.** None of the Directors and Key Managerial Personnel of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution except as shareholders of their respective companies in general.
- 26.** The Board of Directors recommends the resolution set out in the notice in relation to the approval of the proposed Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors for approval by the shareholders of the Company.
- 27.** This statement may be treated as an Explanatory Statement under Section 102 read with sections 230 to 232 of the Companies Act, 2013 read with relevant rules made thereunder.

28. A copy of the Scheme, Explanatory Statement, Proxy Forms and Attendance Slips may be obtained from the Registered Office of the Company.

**Sd/-
Narasimha Rao T.V.L, advocate,
Chairman appointed by
Hon'ble NCLT-II, Hyderabad
vide order dated 03.07.2018**

**6-2-101/7/A&B,
G1 and G2, Mani Plaza,
New Bhoiguda,
Secunderabad-500033
Ph. No. 040-27531818**

**Dated this the 6th day of July, 2018
Hyderabad**

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 AND 232 OF THE COMPANIES ACT, 2013
BETWEEN
M/S. B.N RATHI COMTRADE PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
M/S. B.N. RATHI SECURITIES LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE OF THE SCHEME

This Scheme of Amalgamation is presented under Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and it provides for the Amalgamation of M/s. B.N. Rathi Comtrade Private Limited (i.e BNRCP- Transferor Company) with M/s. M/s. B.N. Rathi Securities Limited (i.e BNRSL - Transferee Company).

The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

B. DESCRIPTION OF THE COMPANIES

1. M/s. B N Rathi Comtrade Private Limited (BNRCPL) (Transferor Company) was incorporated as a Private Limited Company under the name and style of "**M/s. B N Rathi Comtrade Private Limited**" in the erstwhile state of Andhra Pradesh (present State of Telangana) on 10.07.2008, under the provisions of Companies Act, 1956, vide Certificate of Incorporation 2008-09, issued by the Registrar of Companies, Andhra Pradesh. The Present Corporate Identity Number (CIN) of the Company is **U74900TG2008PTC060088**. The PAN of the Company is **AADCB5190J** (hereinafter referred to as the "**Transferor Company**").

The Registered Office of the Transferor Company is presently situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana- 500082 .

The present main objects of the Transferor Company are as follows:

- 1) To become a corporate member of recognised Commodity Stock Exchanges or any other recognised trading Exchanges and to act as Trading and Clearing members or brokers or dealers for all kinds of commodities and render consultancy services to all persons including traders, processors, corporate, regional trading centres, importers, exporters, co-operatives, industry associations in respect of all types of commodities whether in India or abroad. Subject to provisions contained in Forward Contracts (Regulation) Act, 1952 and Forward Contracts (Regulation) Rules 1952 and

necessary approvals/permission from appropriate authorities from time to time.

- 2) To carry on the business of trading in agricultural products, metals including precious metals precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities.
- 3) To carry on the business as brokers, sub-brokers, market makers, arbitrageurs, investors and/or hedgers in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities permitted under the laws of India.

The authorised, issued, subscribed and paid-up capital of the Transferor Company as on 31.03.2017 is as follows:

Share Capital	Amount in Rs.
Authorised Capital	
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid up Capital	
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000

**The Shareholding Pattern of the Transferor Company as on
31.03.2017 is as follows:**

S. No	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	% of shareholding
1.	Promoter			
a)	M/s. B.N. Rathi Securities Limited*	1	9,99,980	99.998
b)	Hari Narayan Rathi <i>(the beneficial interest is held for and on behalf of M/s. B.N. Rathi Securities Limited)</i>	1	10	0.001
c.)	Chetan Rathi <i>(the beneficial interest is held for and on behalf of M/s. B.N. Rathi Securities Limited)</i>	1	10	0.001
2.	Public	-	-	-
3.	Non-Promoter-Non Public	-	-	-
	Grand Total	3	10,00,000	100

Subsequent to 31.03.2017 and till the date of approving of the resolution (10.01.2018) for the scheme of Amalgamation by the Board of Directors of the Transferor Company, there has been no change in the capital structure of the company

The Transferor Company (BNRCPL) is the wholly-owned Subsidiary of the Transferee Company (BNRSL) and the entire paid up capital of the Transferor Company (BNRCPL) is held by the Transferee Company (BNRSL).

**As per the declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.*

2. M/s. B.N. Rathi Securities Limited (BNRSL) (Transferee Company) was incorporated as Lark Leasing Limited, under the Companies Act, 1956 vide Certificate of Incorporation dated 30th September, 1985 with Registration No. 5838 of 1985-86 in the erstwhile State of Andhra Pradesh (present State of Telangana). The Certificate of Commencement of Business was issued by the Registrar of Companies, Andhra Pradesh on 14th October, 1985. The name of the Company was then changed to M/s. B.N. Rathi Securities Limited and fresh Certificate of Incorporation was issued by the Registrar of Companies, Andhra Pradesh on 15th September, 1994. The Present Corporate Identity Number (CIN) of the Company is **L65993TG1985PLC005838** and the PAN of the Company is **AABC6140Q** (Hereinafter referred to as the “Transferee Company”)

The Registered Office of the Transferee Company is situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082

The present main objects of the Transferee Company are as follows:

- 1) To carry on and undertake the business of finance, investment, hire purchase, leasing and to finance lease operations of all kinds, purchasing and selling, hiring or letting on hire all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description and to purchase or otherwise deal in all forms of immovable and movable property including lands and buildings, plant and machinery equipment, ship, aircrafts, automobiles, computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased and leased be new and or used.
- 2) To invest in and acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stocks, bonds obligations and securities, issued or guaranteed by any Government, state, dominion, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise whether in India or elsewhere and to guarantee the subscription thereof and exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

- 3) To advance, deposit or lend money, on securities and properties to or with any company, body corporate, firm, person or association so as to enable them to commence or expand any industrial or commercial activity or for their business purposes, with or without security and on such terms as may be determined from time to time and to discount, buy, sell or deal in bills, notes, warrants, coupons and others negotiable or transferable securities or documents and to guarantee the performance of any contract of any such person. However the Company shall not carry on the business of Banking within the meaning of the Banking Regulation Act 1949.
- 4) To setup incorporate and manage, provide and / or participate in providing venture capital, technology funds, underwriting fund or any other funds for seed capital, risk capital foundation, including giving guarantees or such other financial assistance as may be conducive for development of existing and new technology, to identify projects, project ideas, to prepare project profiles, project reports, marketer search, feasibility studies and reports, pre investment studies and investigation of industries in micro and macro level, to undertake appropriate service to identify scopes or potential for economic and industrial development in any particular geographical area or location in India or abroad, to act as lead managers in respect of project assignment by undertaking follow up supervision and coordination work at the instance, behest or on behalf of banks, financial institutions, companies, bodies corporate and to monitor the same to the participants, to act as an professions systems and by introducing modern methods and techniques and systems and render all assistance as may be necessary including acting as agents for recruitment of personnel, technical, skilled, un-skilled, supervisory, managerial and otherwise and to act as an advisor in the selection of technical process,

economic size source of plant and machinery and other utilities for business entrepreneurs.

- 5) To act administrators or managers of any investment trusts of funds including any growth funds income or capital funds, taxable or tax exemption funds, provident funds, pension funds, gratuity funds, superannuation funds, charitable funds and unit trusts or consortium to act as trustees for bond holders, debenture holders and other purposes herein mentioned and to manage investment pools, mutual funds, issue of shares, securities, bonds and other negotiable instruments and securities and to carry on the business of finance, trust, legal trust and to finance industrial organization and to promote companies engaged in industrial and trading business.
- 6) To carry on the business of merchant banking in all aspects, to act as manages to issues and offers, whether by way of public offer or otherwise, of shares, debentures, bonds, units, participation certificates, deposit certificates, notes, bills warrants or any other, instrument whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the “Securities”) to act as agents of and / or dealers in the securities in the course of merchant banking business, to act as financial consultants, joint managers, lead managers, co-managers, advisors stand by or procurement arrangement, to issue guarantees or it give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to manage portfolio investments, to provide financial and investment assistance for the purpose herein, to act as issue house, registrars to issue, transfer agents, to manage and administer computer centres and clearing house for securities to form syndicates or consortia of managers, agents and purchasers for or any of the securities, to acquire and hold one or

more membership in stock /securities exchange, trade association, commodity exchanges, clearing houses or associations or otherwise in India or any part of the world to act as brokers, dealers and agents in connections with the securities, bullions and precious metals or others, to syndicate any financial arrangements whether in domestic market or in international market and whether by way of loans or guarantees or export and yard credit, and to acquire and hold membership in any association of bankers, security dealers or commodity dealers or commodity dealers or any other associations, membership of which will is likely in any way to facilitate the conduct of the companies business, to undertake the work of factoring of bills and other commercial papers, and to arrange and / or co-ordinate documentation and negotiation in this regard.

- 7) To carry on business as underwriters and brokers of stock shares, debentures stock, Government Bonds, Units of Unit Trust, National Savings Certificates, capitalists and financiers and to undertake depository participants activities and for that purpose to obtain the membership of the Depositories under the Depositories act, 1996 by registering with the Central Depository Services (India) Limited and/or National Securities Depository Limited or such other entity as may be recognized in this behalf and provide services such as demat account opening and maintenance, dematerialization and rematerialization of shares and other applicable securities, provision of transaction statements, transaction execution, creation and cancellation of pledge of securities, facilitating settlement of trades through market transactions, off-market transfers and inter-depository transfers, distribution of non-cash corporate sections, nomination / transmission and other demat related services.

The authorised, issued, subscribed and paid-up capital of the Transferee Company as on 31.03.2017 is as follows:

Share Capital	Amount in Rs.
Authorised Capital	
60,00,000 equity shares of Rs. 10/- each	6,00,00,000
Total	6,00,00,000
Issued, Subscribed and Paid up Capital	
50,40,000 equity shares of Rs. 10/- each	5,04,00,000
Total	5,04,00,000

The Shareholding Pattern of the Transferee Company as on 31.03.2017 is as follows:

S. No	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	% of shareholding
1.	Promoter	4	23,08,954	45.81
2.	Public	4,125	2731046	54.19
3.	Non-Promoter-Non Public	-	-	-
	Grand Total	4,129	50,40,000	100

* The Transferee Company (BNRSL) is public company listed on the Bombay Stock Exchange vide scrip code 523019 whose 54.19% of paid-up share capital is held by public at large and 45.81% by the promoters of the company.

Subsequent to 31.03.2017 and till the date of approving of the resolution (10.01.2018) for the scheme of Merger / Amalgamation by the Board of Directors of the Transferee Company, there has been no change in the capital structure of the Transferee Company.

C. RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME

f) M/s. B. N. Rathi Securities Limited (“**Transferee Company**”) is a registered stock broker under the Securities and Exchange Board of India (Stock Brokers and Sub-brokers Regulations) 1992 (“**Broking Regulations**”) and is a member of the National Stock Exchange of India Ltd., BSE Limited and a depository participant with Central Depository Services (India) Ltd.

g) Likewise, B. N. Rathi Comtrade Private Limited (“**Transferor Company**”) is a registered commodities broker under the applicable rules with National Commodities and Derivatives Exchange Limited and Multi Commodity Exchange.

h) The transferee company (BNRSL) carries on the business of commodity broking services through its wholly-owned subsidiary (“**transferor company**”) since the Broking Regulations until recently required segregation of the stock broking and commodity broking businesses by virtue of Rule (8) (1) (f) of SEBI Securities Contracts (Regulations) Rules, 1957, which restricted stock brokers dealing in securities to deal in commodity derivatives.

i) However, 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 such restriction on the stock brokers has been omitted, the company

proposes to amalgamate both the businesses of securities and commodity derivatives trading under one entity.

j) Since the transferor company and the transferee company are managed/run by the same management, the proposed merger would prove beneficial in the following ways :-

- With the inclusion of unutilised paid – up capital and reserves of Transferor Company would provide for a stronger balance sheet and net worth to meet capital needs of company for future growth and expansion.
- Exposure of shareholders of the Transferee Company to the larger business activities of the flagship broking and related business activities of the Group.
- Cost savings through legal entity rationalisation and elimination of intra group transactions.
- The compliances involved would reduce to a significant extent, enabling management of the transferee company to focus on the business.
- Board of Transferee Company to have greater oversight over the consolidated business operations of company.
- Reduction in operating expenses
- Reduction in maintenance cost
- Achieving business and administrative synergies

SCOPE OF THE SCHEME

The Scheme of Amalgamation provides for:

1. Amalgamation of Transferor Company and/ with the Transferee Company.

2. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

3. This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

c) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.

d) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

D. PARTS OF THE SCHEME:

This Scheme of Amalgamation is explained by dividing it into the following parts:

PART A: Deals with Definitions, Effective and Operative Dates.

PART B: Deals with the Amalgamation of Transferor Company and Transferee Company.

PART C: Deals with General Terms and Conditions.

PART-A

DEFINITIONS, EFFECTIVE AND OPERATIVE DATES

1. DEFINITIONS

1.1 "Act" or "the Act" means the Companies Act, 2013 and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.

1.2 "Applicable Law(s)" means any statute, notification, bye-laws, rules, regulations, guidelines, or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

1.3 "Amalgamating Undertaking" shall mean:

- a) All the assets and properties of the Transferor Company as on the Appointed Date.
- b) All the secured and unsecured debts, liabilities, whether short term or long term contingent liabilities or duties and obligations of the Transferor Company, if any, as on the Appointed Date.
- c) Without prejudice to the generality of sub clause (a) above, the Undertaking of the Transferor Company shall include all the assets and properties, whether movable or immovable, real or

personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, capital work in progress, current assets, investments, reserves, provisions, funds, licenses, franchises, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to sales tax concessions, GST, excise duty, services tax or customs, value added tax and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trademarks, track record, good-will and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, leave and license agreements, software licenses, software agreements, service level agreements, tenancy rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, website designing equipments, software development equipments and installations and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits, whether granted by state government or central government or any such other authority, (including but not limited to credits in respect of

income-tax, tax on book profits, value added tax, sales tax, service tax, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

d) All statutory licenses, franchises, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of the Transferor Company's on the Appointed Date.

e) All staff, workmen and employees engaged in the Transferor Company.

f) All records, files, papers, information, computer programs, software applications, manuals, data, catalogues, quotations, advertising materials, lists of present and former customers, pricing information and other records, whether in physical form or electronic form of the Transferor Company.

1.4 "Appointed date" means 01.04.2018 (First of April Two Thousand Eighteen) or such other date as may be approved by the

Hon'ble NCLT at Hyderabad or such other competent authority having jurisdiction to sanction the Scheme.

1.5 "Board of Directors" or "Board" in relation to Transferor Company and Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, includes any Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

1.6 "Effective Date" shall be the last of the following dates or such other dates by the Hon'ble National Company Law Tribunal Bench, Hyderabad, may direct namely:

The date on which certified copies of the order of the Hon'ble National Company Law Tribunal Bench, Hyderabad, under section 232(5) of the Act is filed with the Registrar of Companies, Telangana and Andhra Pradesh or the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in paragraph 17 of this Scheme have been obtained, whichever is later.

1.7 "Registrar of Companies" means the Registrar of Companies at Hyderabad for the State of Telangana and Andhra Pradesh.

1.8 "Regional Director" means the office of the Regional Director of the south East Region at Hyderabad.

1.9 "NCLT" means Hon'ble National Company Law Tribunal Bench, Hyderabad

1.10 "Scheme of Amalgamation" or "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modifications, imposed or approved or directed by the Board of Directors of Transferee Company and/ or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by any other appropriate authority.

1.11 "Shareholders" means respectively the persons registered as holders of Equity Shares of the Company concerned.

1.12 "Transferee Company" means M/s. B.N. Rathi Securities Limited (BNRSL), a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number (CIN) L65993TG1985PLC005838 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082.

1.13 "Transferor Company" means B.N. Rathi Comtrade Private Limited (BNRCPL), a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number (CIN) U74900TG2008PTC060088 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribe to them under the Act, the Income-tax Act, 1961 or any other applicable

laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. EFFECTIVE DATE AND OPERATIVE DATE

The Scheme set out herein in its present form is subject to any modification(s) approved or imposed or directed by the Board of Directors of Transferee Company and / or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by NCLT or by any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the Effective Date.

PART-B

AMALGAMATION OF TRANSFEROR COMPANY AND TRANSFEE COMPANY

SECTION 1: TRANSFER & VESTING OF AMALGAMATING UNDERTAKING

3. Transfer of assets, properties, estates, claims, refunds, debts, duties, liabilities, obligations etc.,

3.1 Subject to the provisions of this Scheme as specified herein and with effect from the appointed date, the entire amalgamating undertaking of the Transferor Company shall be transferred to and vested in or be deemed to

be transferred to and vested in the Transferee Company in the following manner:

a) The Amalgamating Undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 230 and 232 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub clauses (b) (c) and (d) below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

b) All the Immovable properties of the Transferor Company shall under the provisions of Sections 230 and 232 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Properties of the Transferee Company.

c) All the movable assets including but not limited to computers and equipment, office equipment, machineries, software's, products, websites, portals, capital work in progress, cash in hand of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.

d) In respect of movables other than those specified in sub clause (c) above, including, outstanding loans and advances, Investments (whether current

or non - current), trade receivables, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and for be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 and 232 of the Companies Act, 2013.

e) In relation to all licenses, franchises, permissions, approvals, consents, entitlements, sanctions, permits, rights, privileges and licenses including rights arising from contracts, deeds, license instruments and agreements, if any, belonging to the Transferor Company, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case maybe, as and when required.

f) All secured and/or unsecured debts, if any, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Sections 233 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such

secured and/or unsecured debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

It is clarified that unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the borrowings/debts and assets comprising the Transferor Company are concerned:

- a. the security or charge, if any existing or created in future before the effective date, for the loans or borrowings of the Transferor Company shall, without any further act or deed continue to relate to the said assets after the Effective Date; and
- b. the assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company;
- g) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any government body, local authority or by any other person and availed by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

3.2 The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

3.3 All the properties or assets of the Transferor Company whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall, upon the scheme becoming effective, be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/mutation records in case of immovable properties by such appropriate authorities.

3.4 Any tax liabilities under the Income-tax Act, 1961, service tax laws/GST, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.

3.5 Any refund under the Income-tax Act, 1961, service tax laws/GST or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

3.6 On or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Company under the Income-tax Act, 1961, service tax laws/GST and other laws, and to claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company.

3.7 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date against the Transferor Company and from the Effective Date, the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

3.8 All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 Service Tax law, GST and other laws) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Company on transactions with the Transferee Company, if any (from Appointed Date till Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

3.9 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, or other applicable laws / regulations dealing with

taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

3.10 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961.

4. Legal Proceedings

4.1 Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature, if any, by or against the Transferor Company pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the manner and to the same extent as it would have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as it would or might have been initiated by the Transferor Company.

4.2 After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

5. Contracts, deeds and other instruments

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, leave and license agreements, licenses, engagements, certificates, benefits, privileges, entitlements, grants, sanctions, permissions, consents, approvals, concessions, any schemes under which the Transferor Company are registered with the government or any other authorities and incentives (including but not limited to benefits under the Income-Tax Act, 1961, service tax, GST and other laws), remissions, remedies, subsidies, guarantees, licenses and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force, and be effective against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite restructurings, confirmations or novations, to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

6. Saving of concluded transactions

The transfer of Amalgamating Undertaking under clause 3 above and the continuation of proceedings by or against the Transferee Company under clause 4 above and the effectiveness of the contracts and deeds under clause 5 shall not affect any transactions and proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all such acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

7. Staff, workmen and employees

7.1 On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.

7.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Superannuation Fund, if applicable, Employee's State Insurance Corporation Contribution, Labour Welfare Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such

Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Company under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7.3 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund, if applicable, or other Special Scheme(s) Fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of Transferor Company, in the said funds as on the Effective Date shall stand transferred from the trusts / funds of the Transferor Company to the corresponding trusts funds set up by the Transferee Company.

8. Clubbing of authorized share capital of Transferor Company with the authorized share capital of Transferee Company

8.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs.7,00,00,000/-

(Rupees Seven Crores Only) comprising 70,00,000 (Seventy Lakhs Only) equity shares of Rs.10/- (Rupees Ten only) each.

8.2 For the purpose of sub clause 8.1 above, the stamp duties and fees paid on the authorized share capital of the Transferor Company by the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for clubbing the authorized share capital of the Transferor Company to that extent.

8.3 The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting sub-clause 8.1 no further resolution(s) under Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act would be required to be separately passed.

8.4 Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:-

"The Authorized Share Capital of the Company is Rs.7,00,00,000/- (Rupees Seven Crores Only) comprising 70,00,000 (Seventy Lakhs Only) equity shares of Rs.10/- (Ten Rupees) each. The Share Capital of

the Company (whether original, increased or reduced) may be subdivided, consolidated or divided into such classes of shares as may be allowed under law for the time being in force relating to companies with such privileges or rights as may be attached and to be held upon such terms as may be prescribed by the regulations of the Company".

SECTION 2: CONDUCT OF BUSINESS

9. With effect from the Appointed Date up to and including the Effective Date:

9.1 The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of Amalgamating Undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company,

9.2 Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

9.3 All liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

9.4 The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.

9.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent of approval also to the ancillary and incidental alterations, if any, to be carried out to the Memorandum of Association of the Company as may be required under the Act and there would be no further requirement of obtaining the members approval for such alterations arising pursuant to the sanctioned Scheme.

SECTION 3: CONSIDERATION

10. In view of the fact that the Transferor Company is a wholly owned subsidiary company of Transferee Company, upon the Scheme becoming effective, no shares will be issued / allotted under the Scheme by the Transferee Company to any person.

10.1 Further, upon the Scheme becoming effective, all the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the investments of Transferee Company, as appearing on the Asset side of the Balance Sheet of Transferee Company, shall stand cancelled to the extent of book value of the equity shares of the Transferor Company.

10.2 On completion of the scheme, all equity shares of the Transferor Company held by Transferee Company shall stand

cancelled and the share certificates held by Transferee Company shall be destroyed.

SECTION 4: ACCOUNTING TREATMENT

11. Accounting Treatment in the Books of the Transferee Company

Upon this scheme becoming effective, the Transferee Company shall account for the amalgamation/merger in the books as on appointed date, as per “Purchase Method” under the Accounting standard 14 – “Accounting for Amalgamation.”

11.1All the assets and liabilities in the books of the Transferor Company stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Company and adjustments shall be made wherever necessary to conform to the accounting policies and methods adopted by the Transferee Company.

11.2The excess, if any, of the amount of the investment in the Transferor Company held by the Transferee Company as appearing in the books of the Transferee Company, as on appointed date over the value of the net assets (after considering the value of the assets and liabilities as arrived at under clause 11.1 above) of the Transferor Company acquired by the Transferee Company upon their transfer to and vesting in the Transferee Company under the scheme shall be debited to “Goodwill Account”.

11.3 The excess, if any, of the aggregate value of the net assets (after considering the values of the assets and liabilities as arrived at under clause 11.1 above) of the Transferor Company acquired by the Transferee Company upon their transfer to and vesting in the Transferee Company under scheme over the amount of investment in the Transferor Company held by the Transferee Company as appearing in the books of the Transferee Company as on the Appointed Date shall be credited to “ Capital Reserve Account”.

11.4 Goodwill Account, if any, (net of Capital Reserve Account, if any), as per clauses 11.2 and 11.3 above, shall be written off in accordance with the Accounting standard -14 “ Accounting for Amalgamation”.

12. Dissolution of the Transferor Company

On the Scheme coming into effect, the Transferor Company, i.e. M/s. B.N. Rathi Comtrade Private Limited shall, without any further act or deed, stand dissolved without going through the process of winding up.

PART —C

GENERAL TERMS AND CONDITIONS

13. Impact of the Scheme on creditors

This Scheme of Amalgamation, if approved by the appropriate authorities, shall not have any adverse impact on the creditors whether secured or unsecured, of Transferee Company and / or Transferor Company.

14. Dividends

14.1 Nothing contained in this Scheme shall be construed as restricting or restraining any of the Companies from being entitled to declare and pay dividends, whether interim or Final, to their respective equity shareholders, whether during the pendency of the Scheme or otherwise.

14.2 The holders of the Shares of respective Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of the respective Companies concerned including the right to receive dividends.

14.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of any Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Boards of Directors of the respective Companies and subject to the approval of the shareholders of the respective Companies.

15. Filing of applications/petitions with NCLT

The Transferee Company and the Transferor Company shall, jointly or severally, with all reasonable diligence, make and file all necessary applications, affidavits, petitions etc., before Hon'ble NCLT for obtaining the sanction to this Scheme of Amalgamation under Section 230 and 232 of the Companies Act, 2013 and each of them shall apply for all necessary approvals as may be required under law.

16. Modification to the Scheme

16.1 The Transferee Company and Transferor Company by their respective Board of Directors or any Committee thereof or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the Regional Director, Registrar of Companies or Official liquidator or any appropriate authority (ies) under law may deem fit to approve or impose and which Transferee Company and Transferor Company may in their discretion accept or such modifications or amendments or additions as Transferee Company and Transferor Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise for carrying out this Scheme, and Transferee Company and Transferor Company by their respective Boards of Directors or Delegates are hereby authorised to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by any authorities, which Transferee Company and Transferor Company find unacceptable for any reason, then Transferee Company and Transferor Company shall be at liberty to withdraw the Scheme. The aforesaid powers of Transferee Company and Transferor Company may be exercised by their respective Delegates.

16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of Transferee Company and Transferor Company may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective Companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).

17. Scheme Conditional Upon

17.1 This Scheme is conditional upon and subject to:

- a)** it being agreed to by the respective requisite majorities of the members and various classes of creditors (if any) of the Transferor Company and the Transferee Company as required under the Act and the required consent of Hon'ble NCLT bench, Hyderabad being obtained.
- b)** the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained; and

17.2 In the event of this Scheme failing to take effect before 31.03.2019 or such later date as may be agreed by the respective Boards of Directors of Transferee Company and Transferor Company, this Scheme shall stand revoked, cancelled and be of no

effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Companies or their shareholders or creditors or employees or any other person. In such case, both the Companies shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

18. Validity of existing resolutions, etc. in respect of the prior acts

Upon this Scheme becoming effective, the resolutions passed by the Transferor Company, as are considered necessary by the Board of the Transferee Company and which are valid and subsisting on the date of this Scheme becoming effective, shall continue to be valid and subsisting in respect of the relative acts performed steps taken prior to the date of this Scheme becoming effective and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

19. Effect of non-receipt of approvals

In the event of any of the said sanctions and approvals referred to in clause 17 above not being obtained (unless otherwise decided by the Board of Directors) and / or the consent of the Hon'ble NCLT bench, Hyderabad is not obtained, this Scheme shall stand revoked,

cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

20. Costs, charges, etc.

All costs, charges, levies and expenses (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by Transferee Company.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. B.N. RATHI SECURITIES LIMITED BEARING CIN: L65993TG1985PLC005838, AT ITS MEETING HELD ON 10TH DAY OF JANUARY, 2018, AT 3.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 6-3-652, KAUTILYA, AMRUTHA ESTATES, SOMAJIGUDA, HYDERABAD – 500082, TELANGANA, INDIA.

Members Present:

- | | | |
|---------------------------------------|---|-----------|
| 1. Mr. Laxminiwas Sharma | - | Chairman |
| 2. Mr. K. Harish Chandra Prasad | - | Director |
| 3. Mr. Hari Narayan Rathi
Director | - | Managing |
| 4. Mr. Chetan Rathi
Director | - | Executive |
| 5. Mrs. Shanti Sree Bolleni | - | Director |

Special Invitees:

- | | | |
|---|---|--|
| Mr. Bharadwaj
Co, | - | Seshachalam &

(Statutory Auditor) |
| S. S. Reddy & Associates
Secretaries | - | Practicing Company |

In attendance:

- | | | |
|-----------------------|---|-------------------|
| Mr. M.V.Rao | - | Officer-In-Charge |
| Mrs. G. Sabitha Reddy | - | Company Secretary |

BACKGROUND:

1. A Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors

(“Scheme”), was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Companies at their respective meetings held on 08.01.2018 and 10.01.2018 respectively, for the purpose of Amalgamation of M/s. B.N. Rathi Securities Limited with M/s. B N Rathi Comtrade Private Limited on a going concern basis with effect from 01.04.2018 (First Day of April, Two Thousand and Eighteen) being the appointed date.

2. This report is being adopted pursuant to the requirement of section 232(2) (c) of the Companies Act, 2013, for circulating to the equity shareholders and/or trade creditors of the Company. This report explains the effect of the Scheme of Amalgamation on equity shareholders, key managerial personnel, promoters, non-promoter shareholders and other stakeholders.
3. The Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors was approved by the Board of Directors of the Company taking in to consideration the rationale of the scheme.

REPORT:

1. Further, upon the Scheme becoming effective, all the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the investments of Transferee Company, as appearing on the Asset side of the Balance Sheet of Transferee Company, shall stand cancelled to the extent of book value of the equity shares of the Transferor Company.

2. On completion of the scheme, all equity shares of the Transferor Company held by Transferee Company shall stand cancelled and the share certificates held by Transferee Company shall be destroyed.
3. The Scheme would not have any effect on equity shareholders, key managerial personnel, promoters, non-promoter shareholders and other stakeholders of the Company.

For B. N. Rathi Securities Limited

Hari Narayan Rathi
Managing Director

Place: Hyderabad
Date: 10.01.2018

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF B N RATHI COMTRADE PRIVATE LIMITED BEARING CIN: U74900TG2008PTC060088, AT ITS MEETING HELD ON 8TH DAY OF JANUARY, 2018, AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 6-3-652, KAUTILYA, AMRUTHA ESTATES, SOMAJIGUDA, HYDERABAD – 500082, TELANGANA, INDIA.

Members Present:

1 Mr. Hari Narayan Rathi	-	Director
2. Mr. Chetan Rathi	-	Director
3. Mrs. Nisha	-	Director

In attendance:

Mr. M.V.Rao	-	Officer-In-Charge
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BACKGROUND:

1. A Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors (“Scheme”), was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Companies at their respective meetings held on 08.01.2018 and 10.01.2018 respectively, for the purpose of Amalgamation of M/s. B.N. Rathi Securities Limited with M/s. B N Rathi Comtrade Private Limited on a going concern basis with effect from 01.04.2018 (First Day of April, Two Thousand and Eighteen) being the appointed date.
2. This report is being adopted pursuant to the requirement of section 232(2) (c) of the Companies Act, 2013, for circulating to the equity shareholders and/or trade creditors of the Company. This report explains the effect of the

Scheme of Amalgamation on equity shareholders, key managerial personnel, promoters, non-promoter shareholders and other stakeholders.

3. The Scheme of Amalgamation between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and their respective Shareholders and Creditors was approved by the Board of Directors of the Company taking in to consideration the rationale of the scheme.

REPORT:

1. Further, upon the Scheme becoming effective, all the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the investments of Transferee Company, as appearing on the Asset side of the Balance Sheet of Transferee Company, shall stand cancelled to the extent of book value of the equity shares of the Transferor Company.
2. On completion of the scheme, all equity shares of the Transferor Company held by Transferee Company shall stand cancelled and the share certificates held by Transferee Company shall be destroyed.
3. The Scheme would not have any effect on equity shareholders, key managerial personnel, promoters, non-promoter shareholders and other stakeholders of the Company.

For B N Rathi Comtrade Private Limited

Hari Narayan Rathi
Director

Place: Hyderabad
Date: 08.01.2018

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

Hyderabad, May 17, 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

Hyderabad, May 17, 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

Hyderabad, May 17, 2018

**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
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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
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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
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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
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As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

For and on behalf of the Board 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



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**

L65993TG1985PLC005838

(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	6,6,3,117	8,04,637
Total	27,03,795	25,94,443	29,03,459

**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 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	-	1,159	127
Others (Refer Note 39)	6,75,17,805	8,79,33,369	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

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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 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.

**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 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.

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 Financial Assets	1	1
Listed Equity Instruments	83,28,960	2,20,294
Fair Value Hierarchy Financial Assets	3	3
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 Equity (Refer Note 18 and 19)	0.23%	1.02%
As a percentage of total capital	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

L65993TG1985PLC005838

(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.

**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

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

Sabitha Reddy
Company Secretary

M.V. Rao
Compliance Officer

Place : Hyderabad
Date : 17.05.2018

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

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 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

T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad,
Date: 15.05.2018

**B N RATHI COMTRADE PRIVATE LIMITED**

U74900TG2008PTC060088

(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	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



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



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
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
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**

U74900TG2008PTC060088

(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



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**

U74900TG2008PTC060088

(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



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.

**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**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.

**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 Equity (Refer Note 13 and 14)	0.01%	0.00%
As a percentage of total capital	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

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(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

**BEFORE THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, II, AT HYDERABAD
C.A.(CAA)NO.588/230/HDB/2018**

IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)

**IN THE MATTER OF SECTIONS 230 TO 232 READ OF THE
COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
AND
IN THE MATTER OF M/S. B.N. RATHI SECURITIES LIMITED
(TRANSFEREE COMPANY)
AND
M/S. B N RATHI COMTRADE PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

M/s. B.N. Rathi Securities Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing CIN: L65993TG1985PLC005838 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana - 500082, India, represented by its Managing Director, Mr. Hari Narayan Rathi, email:mvrao@bnrsecurities.com, Ph: 9347204543

...1st Applicant / Transferee Company

HON'BLE NATIONAL COMPANY LAW TRIBUNAL
CONVENED MEETING 9TH DAY OF AUGUST, 2018

PROXY FORM

I/we, the undersigned Trade Creditor (s) of the above Company do hereby appoint Mr. / Mrs. _____ as my/our proxy, to act for me/us at the Tribunal convened meeting of the trade creditors to be held at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad - 500034, Telangana, India, on **Thursday the 9th day of August, 2018, at 12:30 P.M.**, for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Amalgamation and Arrangement between M/s. B.N. Rathi Securities Limited (Transferee Company) and M/s. B N Rathi Comtrade Private Limited (Transferor Company) and Their Respective Shareholders and Creditors and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name _____ (herein, if for insert "for", if against, insert "against").

Date :

Name :

Signature :

Address :

Affix
Revenue
Stamp

**BEFORE THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, II,
AT HYDERABAD
C.A.(CAA)NO.588/230/HDB/2018
IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)
IN THE MATTER OF SECTIONS 230 TO 232 READ OF THE
COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
AND
IN THE MATTER OF M/S. B.N. RATHI SECURITIES LIMITED
(TRANSFEREE COMPANY)
AND
M/S. B N RATHI COMTRADE PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

M/s. B.N. Rathi Securities Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing CIN: L65993TG1985PLC005838 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana - 500082, India, represented by its Managing Director, Mr. Hari Narayan Rathi, email: mvrao@bnrsecurities.com, Ph: 9347204543

....1st Applicant / Transferee Company

HON'BLE NATIONAL COMPANY LAW TRIBUNAL
CONVENED MEETING, 9TH DAY OF AUGUST, 2018

ATTENDANCE SLIP

I/We hereby record my presence at the Hon'ble National Company Law Tribunal Convened Meeting of the Trade Creditors of M/s. B.N. Rathi Securities Limited on **Thursday, the 9th day of August, 2018, at 12:30 P.M at FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad - 500034,**

Name of the Trade Creditor(s) / Proxy:

Registered address:

E-mail:

Amount Due:

Signature

Route Map of the Venue of the Meeting: FTAPCCI Auditorium, FTAPCCI, Federation House, Red Hills, Hyderabad - 500034, Telangana, India:

