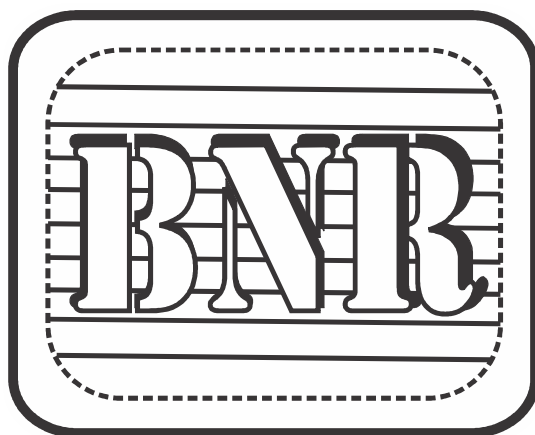


# B.N. Rathi Securities Limited



33<sup>rd</sup> Annual Report  
2018-2019



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

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

### **COMPLIANCE OFFICER**

- Mr. M.V. Rao

### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

- Mrs. Gadila Sabitha Reddy

### **REGISTERED OFFICE**

- 6-3-652, IV Floor, Kautilya,  
Amrutha Estates, Somajiguda,  
Hyderabad, Telangana - 500 082.  
Ph. No. 040-30527777, Fax : 30526283

### **STATUTORY AUDITORS**

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

### **SECRETARIAL AUDITORS**

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

### **BANKERS**

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

### **AUDIT COMMITTEE**

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

### **NOMINATION & REMUNERATION COMMITTEE**

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



**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**RISK MANAGEMENT COMMITTEE**

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

**INDEPENDENT DIRECTORS**

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

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Karvy Fintech Private Limited,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032.  
Phone Number: 040-67162222, 67161526  
Fax: 040-23001153

**LISTED AT** : BSE Limited

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

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

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

**CORPORATE IDENTITY NUMBER** : L65993TG1985PLC005838



### **NOTICE**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Shareholders of B.N. Rathi Securities Limited will be held on Saturday, 10<sup>th</sup> of August, 2019 at 10.00A.M. at FTCCI Surana Hall, Federation House, FTAPCCI Marg, Red Hills, Hyderabad - 500 004, Telangana to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2019, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March 2019.
3. To appoint a director in place of Mr. Hari Narayan Rathi (DIN: 00010968) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Seshachalam & Co., Statutory Auditors to hold office from the conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the next 38<sup>th</sup> Annual General Meeting of the Company at remuneration as may be fixed by the Board.

**“RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any Statutory modification(s) or re-enactment thereof for the time being in force) M/s. Seshachalam & Co, Chartered Accountants be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Thirty Third Annual General Meeting till the conclusion of Thirty Eighth Annual General Meeting at a remuneration to be fixed by the Audit Committee and Board of Directors of the Company.”

#### **SPECIAL BUSINESS:**

##### **Item No.5 : RE-APPOINTMENT OF MRS. SHANTI SREE BOLLENI (DIN: 07092258) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mrs. Shanti Sree Bolleni (DIN **07092258**), who was appointed as an Independent Director at the 29th Annual General Meeting of the Company and who holds office up to March 31, 2020 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from April 1, 2020 upto March 31, 2025.”

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

Place : Hyderabad  
Date : 22.05.2019

**Laxminiwas Sharma**  
Chairman





**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.  
  
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 04.08.2019 to 10.08.2019 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within a period of 30 days to those members whose name appear as:
  - a) Beneficial Owners as on 03.08.2019 on the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
  - b) Members in the Register of Members of the Company after giving effect to valid share transfer in the physical form lodged with the Company on or before 03.08.2019
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar Card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Fintech Private Limited.)



11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Karvy Fintech Private Limited**, Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/ RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
17. Members may also note that the Notice of the 33<sup>rd</sup> Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.bnrsecurities.com](http://www.bnrsecurities.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investorgrievances@bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com).
18. Procedure of E-Voting – In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirements of the SEBI (LODR) Regulations 2015, your Company is pleased to provide members facility to exercise their right to vote at the 33<sup>rd</sup> AGM by electronic means and the business may be transacted through e-Voting Services provided by Karvy Fintech Private Limited.

The instructions for E-voting are as follows:

- i. To use the following URL for e-voting:  
<https://evoting.karvy.com>
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- iii. Enter the login credentials. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use



your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e., B.N. Rathi Securities Limited.
- viii. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xii. The Portal will be open for voting from 9.00 a.m. on 7<sup>th</sup> of August 2019 to 5.00 p.m. on 9<sup>th</sup> of August, 2019
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001.
- xiv. **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [ssrfc@gmail.com](mailto:ssrfc@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

The facility for voting through polling paper shall be made available at the Annual General Meeting (the "meeting") and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.



19. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
20. The Board of Directors of the Company has appointed **S.S Reddy & Associates, Practicing Company Secretaries** as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
21. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **3<sup>rd</sup> of August, 2019.**
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 3<sup>rd</sup> of August, 2019 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
23. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the USER ID and Password in the manner as mentioned below:
  - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event number+ Folio No. or DP ID Client ID to 9212993399  
  
Example for NSDL : MYEPWD <SPACE> IN12345612345678  
Example for CDSL : MYEPWD <SPACE> 1402345612345678  
Example for Physical : MYEPWD <SPACE> XXX1234567890
  - b. If e-mail address or mobile number of the member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c. Member may call Karvy's toll free number 1-800-3454-001
  - d. Member may send an e-mail request to [einward.ris@karvy.com](mailto:einward.ris@karvy.com)
24. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
25. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.bnrsecurities.com](http://www.bnrsecurities.com) and on the website of the Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
26. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2018-19, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2011-12 to the IEPF within a period of thirty days of such amounts becoming due. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.



27. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 3<sup>rd</sup> of August, 2019.
28. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
29. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
30. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Place : Hyderabad  
Date : 22.05.2019

**Laxminiwas Sharma**  
Chairman



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

**ITEM No.5 :**

Mrs. Shanti Sree Bolleni is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company in February, 2015. Mrs. Shanti Sree Bolleni is the Chairperson of the Stake Holders Relationship Committee and a member of the Audit Committee, Nomination and Remuneration Committee of the Company.

Mrs. Shanti Sree Bolleni is a Chartered Accountant by profession and has been in practice since 1984. Presently she is a Senior Partner in M/s. Tukaram & Co., Chartered Accountants, Hyderabad. She has served as a Council Member at "The Andhra Pradesh Tax Bar Association" from 2008 to 2012 and later as President for the year 2010-11. She is an External Member, Board of Studies, Department of Commerce, Osmania University College for Women, Koti, Hyderabad. She is also associated with many charitable trust and societies as auditor and advisor.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mrs. Shanti Sree Bolleni (DIN 07092258) as Independent Director, for a second term of five years from April 1, 2020 to March 31, 2025, not liable to retire by rotation. Mrs. Shanti Sree Bolleni was appointed as Independent Director at the 29<sup>th</sup> Annual General Meeting ("AGM") of the Company and holds office up to March 31<sup>st</sup>, 2020. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given her background, experience and contribution, the continued association of Mrs. Shanti Sree Bolleni would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director.

The Company has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

In the opinion of the Board, she fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Shanti Sree Bolleni as an Independent Director for the approval by the shareholders of the Company.

Except Mrs. Shanti Sree Bolleni, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

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

Place : Hyderabad  
Date : 22.05.2019

**Laxminiwas Sharma**  
Chairman



## **BOARD'S REPORT**

### **To the Members,**

The Directors have pleasure in presenting before you the 33<sup>rd</sup> Boards' Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2019.

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

The performance during the period ended 31<sup>st</sup> March, 2019 has been as under:

(Rs. In Lakhs)

<b>Particular</b>	<b>2018-2019</b>	<b>2017-2018</b>
Total Income	2274.51	2391.63
Total Expenditure	2107.36	2098.21
Profit Before Tax	167.15	293.42
Provision for Tax	51.36	86.06
Profit after Tax	115.79	207.36
Transfer to General Reserves	-	-
Profit available for appropriation	115.79	207.36
Provision for Proposed Dividend	-	-
Provision for Dividend Tax	-	-
Balance Carried to Balance Sheet	115.79	207.36

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

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March and the date of Board's Report. (i.e. 22.05.2019)

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

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

### **4. DIVIDEND:**

The Directors are pleased to recommend a Dividend of Re. 1.00 per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2018-19. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 60,75,987/- for which necessary provision has been made in the accounts.

### **5. RESERVES:**

The Company proposed to transfer Rs.60,75,987/- to the reserve on account of declaration of dividend on both standalone and consolidated basis.

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

The Board of Directors duly met 5 (Five) times on 17.05.2018, 09.08.2018, 24.10.2018, 12.11.2018, and 13.02.2019 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

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

The Company has received a declaration from Mr. Laxminiwas Sharma, Mr. K. Harish Chandra Prasad and Mrs. Shanti Sree Bolleni, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of



the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

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

<b>Name of the Director</b>	Shanti Sree Bolleni	Hari Narayan Rathi
<b>Date of Birth</b>	17/05/1962	22/11/1953
<b>Qualification</b>	Chartered Accountant	B.Sc.,
<b>Expertise in specific functional areas</b>	She is a Senior Partner in M/s. Tukaram & Co., Chartered Accountants, Hyderabad. She had served "The Andhra Pradesh Tax Bar Association" as council Member from 2008 to 2012 and later as President for the year 2010-11. She is an External Member, Board of Studies, Department of Commerce, Osmania University College for Women, Koti, Hyderabad. She is also associated with many charitable trust and societies as auditor and advisor	Twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He is having vast experience in securities Market.
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	-	-
<b>Shareholding of non-executive directors.</b>	-	-
<b>No. of Shares held in the Company</b>	-	1624955
<b>Inter se relationship with any Director</b>	-	Chetan Rathi





## **8. FAMILIARISATION PROGRAMMES:**

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

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

I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

II. The terms of reference of the Audit Committee include a review of the following:

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

Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.

Reviewing with management the annual financial statements before submission to the Board, focusing on:

1. Any changes in accounting policies and practices;
2. Qualification in draft audit report;
3. Significant adjustments arising out of audit;
4. The going concern concept;
5. Compliance with accounting standards;
6. Compliance with stock exchange and legal requirements concerning financial statements and
7. Any related party transactions

Reviewing the company's financial and risk management's policies.

Disclosure of contingent liabilities.

Reviewing with management, external and internal auditors, the adequacy of internal control systems.

Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

Discussion with internal auditors of any significant findings and follow-up thereon.



Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Reviewing compliances as regards the Company's Whistle Blower Policy.

III. The previous Annual General Meeting of the Company was held on 09.08.2018 and Chairman of the Audit Committee, attended previous AGM.

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

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

During the financial year 2018-19, (4) four meetings of the Audit Committee were held on the 17.05.2018, 09.08.2018, 12.11.2018, and 13.02.2019.

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

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

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

**MD:** Managing Director

## 10. NOMINATION & REMUNERATION COMMITTEE

### Terms of reference:

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

To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

### Remuneration Policy:

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

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

The details of remuneration paid to the Executive and Non-Executive Directors for the financial year 2018-19 are given below:



Mr. Hari Narayan Rathi - Managing Director and Mr. Chetan Rathi -Whole Time Director cum CFO have drawn a remuneration of Rs. 42,00,000/- and Rs. 36,00,000/- for the year ended 31.03.2019 respectively.

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

**The details of composition of the Committee pre reconstitution are given below:**

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

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

**MD:** Managing Director

\*Reconstitution of the Committee in their meeting held on 22.05.2019.

**The details of composition of the Committee post reconstitution are given below:**

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

## **POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

### **1. Scope:**

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

### **2. Terms and References:**

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

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

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

### **3. Policy:**

#### **Qualifications and criteria**



- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
- General understanding of the company's business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 3.1.3 The proposed appointee shall also fulfil the following requirements:
- shall possess a Director Identification Number;
  - shall not be disqualified under the Companies Act, 2013;
  - shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
  - shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
  - shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
  - Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.
- 3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### **3.2 Criteria of independence**

- 3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- 3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
- 3.2.3 The Independent Director shall abide by the "Code for Independent Directors "as specified in Schedule IV to the companies Act, 2013.

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

- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does



not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director Service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

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

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

### **Remuneration policy for Directors, key managerial personnel and other employees**

#### **1. Scope:**

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

#### **2. Terms and Reference:**

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

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

#### **3. Policy:**

##### **3.1 Remuneration to Executive Director and Key Managerial Personnel**

- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:



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

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

### 3.2 Remuneration to Non-Executive Directors

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

3.2.2 Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## 11. STAKEHOLDERS RELATIONSHIP COMMITTEE

### A) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mrs. Shanti Sree Bolleni	Chairperson	NED(I)
Mr. Laxminiwas Sharma	Member	NED(I)
Mr. K. Harishchandra Prasad	Member	NED(I)
Mr. Chetan Rathi	Member	ED

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

**ED:** Executive Director

### B) Powers:

The Committee has been delegated with the following powers:

To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.

To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)

Consolidate and sub-division of share certificates etc.



To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

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

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

## **12. RISK MANAGEMENT COMMITTEE**

### **A) Composition:**

The Details of composition of the Committee are given below:

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

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

**ED** : Executive Director

Role and Responsibilities of the Committee includes the following:

Framing of Risk Management Plan and Policy

Overseeing implementation of Risk Management Plan and Policy

Monitoring of Risk Management Plan and Policy

Validating the process of risk management

Validating the procedure for Risk minimisation.

Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.

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

### **B) RISK MANAGEMENT POLICY:**

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

## **13. VIGIL MECHANISM:**

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

## **14. DIRECTOR'S RESPONSIBILITY STATEMENT:**

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



- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **15. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2011-2012 will expire on 30.07.2019 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2019 are as given below:

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Last Date of Claiming the Dividend</b>	<b>Unclaimed amount as on 31.03.2019</b>	<b>Due date for transfer to Investor Education and Protection Fund (IEPF)</b>
2011-12	31.07.2012	30.07.2019	1,90,357	29.08.2019
2012-13	08.08.2013	07.08.2020	1,92,868	06.09.2020
2013-14	12.07.2014	11.07.2021	2,54,979	10.08.2021
2014-15	18.07.2015	17.07.2022	3,15,952	16.08.2022
2015-16	06.08.2016	05.08.2023	1,95,251	04.09.2023
2016-17	05.08.2017	04.08.2024	2,70,100	03.09.2024
2017-18	09.08.2018	08.08.2025	1,49,892	07.09.2025

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

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

M/s B N Rathi Comtrade Private Limited and M/s B N Rathi Industries Private Limited are wholly owned subsidiaries of the Company have made an income of Rs. 53.47 lacs with a Profit of Rs. 52.39 lacs and Income of Rs. 1.08 lacs with a loss of Rs. (44.62) lacs respectively.





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

B.N. Rathi Comtrade Private Limited and B.N. Rathi Industries Private Limited are wholly owned subsidiaries of the company and there have been no companies which have become or ceased to be the subsidiaries, joint ventures or associate companies during the year.

**18. EXTRACT OF ANNUAL RETURN:**

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

**19. STATUTORY AUDITORS:**

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

The Board recommends the re-appointment of M/s. Seshachalam & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting.

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

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

**21. SECRETARIAL AUDIT:**

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

**22. QUALIFICATIONS IN AUDIT REPORTS:**

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

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust capital market in the coming years.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2019 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

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

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



**A. Conservation of Energy :** Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption :** All the Factors mentioned in Rule 8 (3)(b) Technology absorption are not applicable to the Company.

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

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

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

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

**25. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

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

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

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

The Board has appointed M/s Penmetsa & Associates, Chartered Accountant, Hyderabad as Internal Auditors in its meeting held 22.05.2019 for the year 2019-20. Deviations are reviewed periodically and due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

**27. INSURANCE:**

The properties and assets of your Company are adequately insured.

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

**29. SHARE CAPITAL:**

The authorised share capital of the Company stands at Rs.6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10/- each.

The paid up share capital of the Company stands at Rs. 5,04,00,000 /- divided into 50,40,000 equity shares of Rs.10/- each.

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

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



**31. CREDIT & GUARANTEE FACILITIES:**

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

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

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

**33. RELATED PARTY TRANSACTIONS:**

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

Your Directors draw attention of the members to Note 36 to the financial statement which sets out related party disclosures.

**34. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

**35. AMENDMENTS TO POLICIES:**

Pursuant to SEBI circular(s), the company has amended the following policies and the same were updated on the website of the company:

1. Board Evaluation Policy
2. Nomination & Remuneration Policy
3. Policy of Material Subsidiary
4. Related Party Policy
5. Risk Management Policy
6. Vigil Mechanism Policy
7. Code of Conduct for Prevention of Insiders Trading.

**36. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER Rule 5(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014 :**

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

Further, none of the employees is drawing a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits prescribed under Section 197 of the Companies Act, 2013

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

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies(Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 a remuneration ratio of 8:1 is being paid to Shri. Chetan Rathi, Whole-Time director of the Company and a ratio of 10:1 is being paid to Shri. Hari Narayan Rathi, Managing Director of the Company.

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

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



### **39. SECRETARIAL STANDARDS**

The Company is in compliance with the applicable secretarial standards.

### **40. WITHDRAWAL OF MERGER:**

The Board meeting held on 10.01.2018, the company decided to amalgamate with B N Rathi Comtrade Private Limited. An application with the Hon'ble NCLT was made in this regard and said amalgamation had been withdrawn in the meeting held on 24.10.2018 due to unforeseen regulatory issues being faced by the Transferor Company M/s B N Rathi Comtrade Private Limited.

### **41. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

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

### **42. CEO/CFO Certification**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-19 is annexed in this Annual Report.

### **43. BOARD EVALUATION:**

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

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

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

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

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

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

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

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



#### **44. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**

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

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

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

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

No. of complaints received : Nil

No. of complaints disposed off : Nil

#### **46. ACKNOWLEDGEMENTS:**

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

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

Place : Hyderabad  
Date : 22.05.2019

**Laxminiwas Sharma**  
Chairman



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Overview**

We always want to look ahead and push ourselves to reinvent and reinnovate. We took this opportunity to be introspective and realised our core strengths. We do not see these restrictions as a hurdle but an opportunity to explore new markets and new fields. We believe that with over 30 years of combined management experience in the capital markets and corporate space in India enable us to be competent in this field.

### **Industry Structure and Developments**

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

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

### **Opportunities and Threats**

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

#### **Opportunities**

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

#### **Threats**

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

### **Segment –wise or product wise performance**

The Company carries on 85% Stock Broking which is its core activity.

### **Internal Control & Adequacy**

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

### **Risk Management System**

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

### **Risk and Concerns**

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



### Outlook

Company is focusing on service-based activities. The company is planning to enter the management consulting and fund syndication space. We believe that with over 30 years of combined management experience in the capital markets and corporate space in India enable the company to be competent in this field. The company has decided to venture into different business through investments in subsidiaries company.

### Details of significant changes

Particulars	F.Y 2018-19	F.Y 2017-18	% of change
Debtors Turnover	3.03	2.85	6%
Inventory Turnover	-	-	0%
Interest Coverage Ratio	8.13	13.96	-42%
Current Ratio	1.46	1.43	2%
Debt Equity Ratio	1.82	1.86	-2%
Operating Profit Margin (%)	0.09	0.14	-36%
Net Profit Margin (%)	0.08	0.13	-39%

### Human Resource

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

### Cautionary Statement

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



**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

**Certificate of Code of Conduct for the year 2018-19**

Pursuant to reg. 34(3) read with PART D of Schedule V of SEBI (LODR) Regulations, 2015

The shareholders

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

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

Place : Hyderabad  
Date : 22.05.2019

**Hari Narayan Rathi**  
Managing Director and CEO





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

**To**

**The Board of Directors**

**Dear Sirs,**

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2019 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

Place: Hyderabad  
Date : 22.05.2019

**Hari Narayan Rathi**  
Managing Director

**Chetan Rathi**  
CFO



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

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

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
136426	NIL	NIL	143373

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



**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To  
The Members of  
B. N. Rath Securities Limited  
Hyderabad.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. B.N.Rathi Securities Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under ;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2018-19.
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations;  
**The company adopted a revised code of conduct pursuant to SEBI Notification No. LAD-NRO/GN/2014-15/21/85 dated 15.01.2019 and displayed the same on the Company's website i.e. www.bnrsecurities.com.**
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**



- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has Karvy Fintech Private Limited as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
  - The Payment of Gratuity Act, 1972
  - Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - Employees State Insurance Act, 1948
  - Income Tax Act, 1961
  - Indian Stamp Act, 1899
  - Minimum Wages Act, 1948
  - Payment of Bonus Act, 1965
  - Payment of Wages Act, 1936
  - Shops and Establishments Act, 1948

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

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

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

- a) During the year the Company has conducted 5 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee and 1 meeting of Independent Directors.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we report that**



- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

External Commercial Borrowings were not attracted to the Company under the financial year under report;

Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;

Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

**We further report that:**

- i. The Company has a CFO, Mr. Chetan Rathi and a Company Secretary namely Mrs. G. Sabitha Reddy.
- ii. The Company has internal auditors namely M/s. Penmetsa & Associates, Chartered Accountants, Hyderabad.
- iii. The company had filed a merger application with Hon'ble National Company Law Tribunal, Hyderabad Bench on 23.02.2018 as Transferee Company for amalgamation with its subsidiary - B N Rathi Comtrade Private Limited (Transferor Company). The application was however withdrawn vide NCLT order dated 15.11.2018 due to regulatory issues.
- iv. The website of the company contains several policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.
- v. The Company is a registered member of NSE and BSE apart from having DP connectivity with CDSL. From time to time there were inspection of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.
- vi. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

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

Place : Hyderabad  
Date : 22.05.2019

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



**ANNEXURE A**

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

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

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

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

Place : Hyderabad  
Date : 22.05.2019

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



**MGT 9**

**Extract of Annual Return**

**As on the Financial Year 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS :**

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

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

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

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

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	B N Rathi Comtrade Private Limited	U74900TG2008PTC060088	Subsidiary Company	100%	2(87)
2.	B N Rathi Industries Private Limited	U45209TG2012PTC082486	Subsidiary Company	100%	2(87)



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

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

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/HUF	2463954	0	2463954	48.89	2637419	0	2637419	52.33	3.44
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A) (1)	2463954	0	2463954	48.89	2637419	0	2637419	52.33	3.44
(2) Foreign									
a) NRIs									
Individuals	0	0	0	0	0	0	0	0	0
b) Other									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Totalshare holding of Promoter (A)= (A)(1)+(A)(2)	2463954	0	2463954	48.89	2637419	0	2637419	52.33	3.44
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) ForeignVenture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B) (1)									
2. Non Institutions									
a) Bodies Corp.	126436	300	126736	2.51	96589	300	96889	1.92	0.59
b) Individuals	0	0	0	0	0	0	0	0	0





i) Individual shareholders holding nominal share capital upto Rs.2 Lakhs	1028463	237086	1265549	25.11	1042015	213441	1255456	24.91	0.20
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	738814	46850	785664	15.59	646716	0	646716	12.83	2.76
c) Others (specify)									
1. NRI	258926	0	258926	5.14	256327	0	256327	5.09	0.05
2. Clearing Members	125	0	125	0.00	420	0	420	0.01	0.01
3. NRI Non Repat	2620	0	2620	0.05	3400	0	3400	0.07	0.02
4. IEPF	136426	0	136426	2.71	143373	0	143373	2.84	0.14
Sub-total (B)(2)	2291810	284236	2576046	51.11	2188840	213471	2402581	47.67	-3.44
Total Public Shareholding (B)=(B)(1)+(B)(2)	2291810	284236	2576046	51.11	2188840	213471	2402581	47.67	-3.44
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4755764	284236	5040000	100	4826259	213741	5040000	100	0

(ii) Shareholding of promoters

S. No.	Share holder's name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Hari Narayan Rathi	1571490	31.18	-	1624955	32.24	-	1.06
2.	Chetan Rathi	448534	8.90	-	498534	9.89	-	0.99
3.	Chanda Devi Rathi	277406	5.50	-	312406	6.20	-	0.70
4.	Nisha Rathi	166524	3.30	-	201524	4.00	-	0.70



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

Sl. No.	Share holder's name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1. Hari Narayan Rathi</b>					
	At the beginning of the year	1571490	31.18	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc):			53465	1.06
	At the End of the year	-	-	1624955	32.24
<b>2. CHETAN RATHI</b>					
	At the beginning of the year	448534	8.90	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/sweat equity etc):			50000	0.99
	At the End of the year	-	-	498534	9.89
<b>3. CHANDA DEVI RATHI(PROMOTER GROUP)</b>					
	At the beginning of the year	277406	5.50	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/sweat equity etc):			35000	0.70
	At the End of the year	-	-	312406	6.20
<b>4. NISHA RATHI (PROMOTER GROUP)</b>					
	At the beginning of the year	166524	3.30	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc):			35000	0.70
	At the End of the year			201524	4.00



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

Sl. No.	Shareholder Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>MADANLAL LALIT KOTHARI</b> At the beginning of the year <b>Changes during the year</b>	01.04.2018	Opening balance	243995	4.84	-	-
		31.03.2019	Closing Balance			243995	4.84
2	<b>PURSHOTTAM CHANDAK HUF</b> At the beginning of the year  <b>At the End of the Year</b>	01.04.2018	Opening Balance	143700	2.85	143700	2.85
		31.03.2019	Closing Balance			143700	2.58
3	<b>AMIT RATHI</b> At the beginning of the year  <b>At the End of the Year</b>	01.04.2018	Opening Balance	30000	0.60		
		29.03.2019	Purchase	46850	0.92	76850	1.52
		31.03.2019	Closing Balance	-	-	76850	1.52
4	<b>PREM KUMAR BAJAJ</b> At the beginning of the year  Changes during the year At the End of the Year	01.04.2018	Opening Balance	65000	1.29		
		06.04.2018	Sale	65000	1.29	0	0
		31.03.2019	Closing Balance	-	-	0	0
5	<b>AJESH DALAL</b> At the beginning of the year  Changes during the year At the End of the Year	01.04.2018	Opening Balance	60000	1.19		
		31.03.2019	Closing Balance	-	-	60000	1.19
6	<b>THOTA BIKSHAPATHI</b> At the beginning of the year  Changes during the year	01.04.2018	Opening Balance	54468	1.08		
		06.04.2018	Purchase	31		54499	1.08
		04.05.2018	Purchase	500		54999	1.09
		11.05.2018	Purchase	250		55249	1.09
		25.05.2018	Purchase	2750	0.05	57999	1.15
		01.06.2018	Sale	796		57203	1.13
		08.06.2018	Purchase	16		57219	1.14
		15.06.2018	Purchase	380		57599	1.14
		13.07.2018	Purchase	400		57999	1.15
		27.07.2018	Purchase	39		58038	1.15
		03.08.2018	Purchase	369		58407	1.16



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

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		17.08.2018	Purchase	94		58501	1.16
		24.08.2018	Purchase	1130		59631	1.18
		31.08.2018	Purchase	400		60031	1.19
		07.09.2018	Purchase	168		60199	1.19
		28.09.2018	Purchase	275		60474	1.20
		05.10.2018	Purchase	225		60699	1.20
		12.10.2018	Purchase	285		60984	1.21
		19.10.2018	Purchase	15		60999	1.21
		26.10.2018	Purchase	200		61199	1.21
		02.11.2018	Purchase	899		62098	1.23
		09.11.2018	Purchase	101		62199	1.23
		16.11.2018	Purchase	100		62299	1.24
		21.12.2018	Purchase	56		62355	1.24
		22.02.2019	Purchase	3144		65499	1.30
		01.03.2019	Purchase	580		66079	1.31
		22.03.2019	Purchase	173		66252	1.31
		29.03.2019	Purchase	235		66487	1.32
	At the end of the year	31.03.2019	Closing Balance			66487	1.32
7	<b>MURALI KRISHNA A</b>						
	At the Beginning of the year	01.04.2018	Opening Balance	50505	1.00		
	Changes during the year		Purchase	-	-	-	-
	At the end of the Year	31.03.2019	Closing Balance			50505	1.00
8	<b>PUSHPANJALI GOLLAPUDI</b>						
	At the beginning of the year	01.04.2018	Opening Balance	50000	0.99		
	Changes during the year			-	-	-	-
	At the End of the year	31.03.2019	Closing Balance			50000	0.99
9	<b>NIRMAN SHARE BROKERS PVT. LTD.</b>						
	At the beginning of the year	01.04.2018	Opening Balance	42100	0.84		
	Changes during the year	11.05.2018	Purchase	200		42300	0.84
		18.05.2018	Sale	-100		42200	0.84
		25.05.2018	Purchase	50		42250	0.84
		15.06.2018	Purchase	150		42400	0.84
		22.06.2018	Purchase	50		42450	0.84
		29.06.2018	Purchase	95		42545	0.84
		06.07.2018	Purchase	55		42600	0.85
		13.07.2018	Purchase	15		42615	0.85
		03.08.2018	Purchase	185		42800	0.85
		10.08.2018	Sale	-279		42521	0.84
		31.08.2018	Sale	-125		42396	0.84
		07.09.2018	Sale	-100		42296	0.84
		19.10.2018	Purchase	30		42326	0.84
		26.10.2018	Purchase	30		42356	0.84
		14.12.2018	Sale	-120		42236	0.84
		21.12.2018	Purchase	100		42336	0.84
		01.02.2019	Purchase	125		42461	0.84
		15.02.2019	Sale	-461		42000	0.83
		22.02.2019	Purchase	189		42189	0.84
		08.03.2019	Sale	-189		42000	0.83
	At the end of the year	31.03.2019	Closing Balance			42000	0.83



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

L65993TG1985PLC005838

10	<b>SARLA GUPTA</b> At the beginning of the year  Changes during the year  At the end of the year	01.04.2018  22.06.2018 31.08.2018 31.03.2019	Opening Balance  Sale Sale Closing Balance	37361  -35000 -2361	0.74	  2361 0 0	  0.05 0 0
11.	<b>ANURADHA PASARI</b> At the beginning of the year  Changes during the year     At the end of the year	01.04.2018  22.02.2019 15.03.2019 22.03.2019 29.03.2019 31.03.2019	Opening Balance  Purchase Purchase Sale Sale Closing Balance	35500  10904 4842 -2500 -1400	0.70	  46404 51246 48746 47346 47346	  0.92 1.02 0.97 0.94 0.94
12	<b>LAKSHMI FINANCE &amp; INDUSTRIAL CORPORATION LIMITED</b> At the beginning of the year  Changes during the year At the end of the year	01.04.2018   31.03.2019	Opening Balance  Closing Balance	33074	0.66	   33074	   0.66

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Hari Narayan Rathi</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	1571490	31.18	-  53465  1624955	-  1.06  32.24
2	<b>Chetan Rathi</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): At the End of the year	448534	8.90	-  50000  498534	-  0.99  9.89



**(vi) INDEBTEDNESS**

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

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

**(vii) Remuneration of Directors and Key Managerial Personnel**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Hari Narayan Rathi MD	Chetan Rathi WTD/CFO	
1.	Gross salary	42,00,000	36,00,000	78,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961			
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission			
	- as % of profit	-	-	
	- Others, specify...			
5.	Others, please specify	-	-	
6.	Total (A)	42,00,000	36,00,000	78,00,000
7.	Ceiling as per the Act			



**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Laxminivas Sharma	Mr. Harishchandra Prasad	Mr. Shanthi Sree Bolleni	
1.	<b>Independent Directors</b> * Fee for attending board / committee meetings * Commission * Others, please specify	70,000	70,000	70,000	2,10,000
	Total (1)	70,000	70,000	70,000	2,10,000
2.	<b>Other Non-Executive Directors</b> * Fee for attending board / committee meetings * Commission * Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	70,000	70,000	70,000	2,10,000
	Total Managerial Remuneration Overall Ceiling as per the Act				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (G. Sabitha Reddy)	CFO	
1.	Gross salary	-	4,35,600	-	4,35,600
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b)	Value of perquisites u/s17(2) Income-tax Act, 1961				
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total		4,35,600		4,35,600



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

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





## Form No. AOC-2

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

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

### Related Party Disclosures

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

Nature of Relationship	Name of Related Party
Key Management Personnel (KMP):	Hari Narayan Rath - <b>Managing Director</b> Chetan Rath - <b>Executive Director</b>
Investment in LLP where KMP is a Designated Partner	BNR Foods Specialities LLP
Relatives of Key Management Personnel (KMP):	Chanda Devi Rath - Wife of Hari Narayan Rath Nisha Rath - Wife of Chetan Rath Anuradha Pasari - Daughter of Hari Narayan Rath Govind Narayan Rath - Brother of Hari Narayan Rath

#### b) Transactions with related parties:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Rent Paid:</b>	<b>12,24,000</b>	<b>12,24,000</b>
- Chanda Devi Rath	9,84,000	9,84,000
- Govind Narayan Rath HUF	2,40,000	2,40,000
<b>Remuneration Paid:</b>	<b>85,20,000</b>	<b>73,20,000</b>
- Hari Narayan Rath	42,00,000	36,00,000
- Chetan Rath	36,00,000	30,00,000
- Nisha Rath	7,20,000	7,20,000
<b>Dividend Paid:</b>	<b>3,135,623</b>	<b>23,08,954</b>
- Hari Narayan Rath	1,920,666	15,71,490
- Chetan Rath	598,241	3,48,534
- Chanda Devi Rath	374,887	2,62,406
- Nisha Rath	241,829	1,26,524
<b>Service Rendered – Brokerage Received:</b>	<b>125,897</b>	<b>2,35,770</b>
- Hari Narayan Rath	1,332	46,073
- Chetan Rath	18,217	8,150
- Chanda Devi Rath	12,718	18,294
- Nisha Rath	10,071	20,043
- Govind Narayan Rath	5,196	41,568



- Anuradha Pasari	6,219	4,937
- Hari Narayan Rathi HUF	72,144	96,707
<b>Unsecured Loans Taken:</b>	-	<b>1,50,00,000</b>
- Hari Narayan Rathi	-	1,25,00,000
- Chetan Rathi	-	25,00,000
<b>Unsecured Loans Repaid:</b>	-	<b>1,50,00,000</b>
- Hari Narayan Rathi	-	1,25,00,000
- Chetan Rathi	-	25,00,000
<b>Interest on Unsecured Loans:</b>	-	<b>4,19,178</b>
- Hari Narayan Rathi	-	3,22,603
- Chetan Rathi	-	96,575
<b>Investments made:</b>	-	<b>45,00,000</b>
- BNR Food Specialities LLP	-	45,00,000
<b>Investments disposed:</b>	<b>45,00,000</b>	-
- BNR Food Specialities LLP*	45,00,000	-

*\*Investment made by B.N. Rathi Industries Private Limited in BNR Foods Specialities LLP [30% stake] during FY 17-18 has been disposed off during the FY 18-19 for Rs. Nil.*

**c) Related party balances:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Rent Deposit:</b>	<b>16,00,000</b>	<b>16,00,000</b>
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000
<b>Investments made</b>	-	45,00,000
- BNR Food Specialities LLP*	-	45,00,000

\* Disposal of investment in LLP and recognition of loss in the statement of profit and loss.



## Form AOC - 1

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

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

2. Reporting Period : 01.04.2018 to 31.03.2019

3. Reporting Currency : Indian Rupee

Sl. No.	Particulars	B.N.Rathi Comtrade Private Limited	B.N. Rathi Industries Private Limited
		Amount in Rupees	Amount In Rupees
1.	Share Capital:	1,00,00,000	50,00,000
2.	Reserves and surplus for the year ending	3,48,23,755	(40,79,660)
3.	Total Assets	12,78,36,068	9,20,340
4.	Total Liabilities	12,78,36,068	9,20,340
5.	Investments	-	-
6.	Turnover (Income)	5,34,70,290	1,08,168
7.	Profit / loss before Taxation	70,93,376	(44,48,985)
8.	Provision for Taxation	18,54,179	13,265
9.	Profit / loss after Taxation	52,39,196	(44,62,250)
10.	Proposed Dividend	-	-
11.	% of Shareholding	100	100

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

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

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

For and on behalf of the Board

**T. Seshachalam**  
Partner  
Membership No. 004027

**LAXMINIWAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

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

**SABITHA REDDY**  
Company Secretary

**M.V. RAO**  
Compliance Officer

Place : Hyderabad  
Date : 22.05.2019



**Annexure A**

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

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

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

Director	Total Remuneration	Ratio to median remuneration
Mr. Hari Narayan Rathi	42,00,000	10:1
Mr. Chetan Rathi	36,00,000	8:1

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

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2018-19	FY 2017-18	
Laxminivas Sharma	Director	-	-	0%
Hari Narayan Rathi	Managing Director	42,00,000	36,00,000	16.67%
Harishchandra Prasad Kanuri	Director	-	-	NIL
Chetan Rathi	Wholetime Director /CFO	36,00,000	30,00,000	20.00%
Shanti Sree Bolleni	Director	-	-	NIL
Gadila Sabitha Reddy	Company Secretary	4,35,600	4,04,000	7.82%

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

Particulars	Remuneration		Increase/ (Decrease)%
	FY 2018-19	FY 2017-18	
Median Remuneration of all the employees per annum*	3,59,400	3,32,000	8.25%

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

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2019	77



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

Particulars	Increase/ (Decrease) %
<b>Average percentage increase in the remuneration of all Employees*</b> (Other than Key Managerial Personnel)	<b>1.08%</b>
<b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>	
Mr. Hari Narayan Rathi (Managing Director)	<b>16.67%</b>
Mr. Chetan Rathi (Wholetime Director/CFO)	<b>20.00%</b>
Mrs. Gadila Sabitha Reddy (Company Secretary)	<b>7.82%</b>

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

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

The Company is in compliance with its remuneration policy.



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF**

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

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

#### **Opinion**

We have audited the standalone Ind AS financial statements of B. N. Rathi Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability



to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are



therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
  - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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. Seshachalam**

Partner

Membership No. 004027

Place : Hyderabad

Date : 22.05.2019





## **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. Seshachalam**  
Partner  
Membership No. 004027

Place : Hyderabad  
Date : 22.05.2019



**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, 2019 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, 2019, 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, 2019, 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 22, 2019 expressed an unqualified opinion.

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

**T. Seshachalam**  
Partner  
Membership No. 004027

Place : Hyderabad  
Date : 22.05.2019

**1. Corporate Information:**

B. N. Rathi Securities Limited ("BNRSL" or "the Company") is a listed public company domiciled in India and is incorporated under the Companies Act, 1956 ("the Act") on September 30, 1985. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana - 500 082.

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

**2. Significant Accounting Policies:**

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

**a) Basis of preparation:**

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

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

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

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

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

**c) Fair value measurement:**

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

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

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



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

**i. Recognition and initial measurement:**

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

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

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

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

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

**iii. De-recognition:**

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

**iv. Transition to Ind AS:**

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

**e) Intangible Assets:**

**i. Recognition and initial measurement:**

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

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

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

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



**iii. Transition to Ind AS:**

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

**g) Impairment of assets:**

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

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

**h) Revenue Recognition:**

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

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

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

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

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

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

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

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



**i) Leases:**

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

**j) Financial Instruments:**

**a. Financial Assets**

***Initial recognition and measurement***

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

***Subsequent measurement***

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

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

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

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

c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

***Investments in subsidiaries, associates and joint ventures***

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

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

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

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



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

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

***Subsequent measurement***

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

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

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

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

**c. Offsetting financial instruments**

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

**k) Borrowing costs:**

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

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

**l) Employee Benefits:****a. Short-term benefit plans**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees



render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**b. Defined contribution plans**

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

**c. Defined benefit plans**

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

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

**m) Income Taxes:**

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

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

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



taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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

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

Contingent liability is disclosed for:

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

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

**o) Cash and cash equivalents:**

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

**p) Cash flow statement:**

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

**q) Earnings per share:**

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

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


**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Balance Sheet as at 31<sup>st</sup> March, 2019**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	22,47,772	33,28,991
(b) Intangible assets	4	3,81,935	63,678
(c) Financial Assets			
- Investments	5	1,50,00,000	1,50,00,000
- Loans	6	91,00,000	1,31,00,000
- Other non-current financial assets	7	3,15,011	3,80,608
(d) Deferred tax assets (Net)	8	24,35,497	27,03,795
(e) Other non-current assets	9	30,01,179	29,76,187
<b>Total Non-Current Assets [A]</b>		<b>3,24,81,394</b>	<b>3,75,53,259</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
- Investments	10	7,00,000	90,28,960
- Loans	11	20,14,00,000	16,49,85,785
- Trade receivables	12	7,00,24,197	6,75,17,805
- Cash and cash equivalents	13	4,55,04,814	12,98,03,962
- Bank balances other than above	14	14,24,44,399	7,38,57,134
- Other current financial assets	15	40,91,902	61,70,767
(b) Current tax asset [Net of provisions]	16	19,80,798	10,98,045
(c) Other current assets	17	41,81,319	57,86,327
<b>Total Current Assets [B]</b>		<b>47,03,27,429</b>	<b>45,82,48,786</b>
<b>TOTAL ASSETS [A+B]</b>		<b>50,28,08,823</b>	<b>49,58,02,044</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	18	5,04,00,000	5,04,00,000
(b) Other Equity	19	12,79,85,755	12,31,38,669
<b>Total Equity [A]</b>		<b>17,83,85,755</b>	<b>17,35,38,669</b>
<b>2 Non-Current Liabilities</b>			
(a) Provisions	20	23,42,526	25,68,144
<b>Total Non-Current Liabilities [B]</b>		<b>23,42,526</b>	<b>25,68,144</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	21	24,220	3,93,760
- Trade payables	22	31,07,32,609	30,78,21,942
(b) Provisions	23	2,03,030	1,46,590
(c) Other current liabilities	24	1,11,20,684	1,13,32,939
<b>Total Current Liabilities [C]</b>		<b>32,20,80,543</b>	<b>31,96,95,231</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B+C]</b>		<b>50,28,08,823</b>	<b>49,58,02,044</b>
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As per our Report of even date.

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

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

Firm Registration Number : 003714S

**T. Seshachalam**  
Partner  
Membership No. 004027

**Laxminiwas Sharma**  
Chairman  
DIN : 00010899

**Harinarayan Rathi**  
Managing Director  
DIN : 00010968

**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441

Place : Hyderabad  
Date : 22.05.2019

**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 31<sup>st</sup> March, 2019**

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>I REVENUE</b>			
Revenue from Operations (Gross)	25	20,85,43,743	22,18,83,864
Other Income	26	1,89,07,325	1,72,79,584
<b>TOTAL REVENUE [I]</b>		<b>22,74,51,068</b>	<b>23,91,63,448</b>
<b>II EXPENSES</b>			
Employee benefit expenses	27	4,70,32,285	4,57,77,320
Finance costs	28	41,37,246	29,04,403
Depreciation and amortization expense	3 & 4	14,14,480	21,64,893
Other expenses	29	5,22,89,175	5,06,44,436
Share of brokerage	-	10,58,63,224	10,83,30,231
<b>TOTAL EXPENSES [II]</b>		<b>21,07,36,410</b>	<b>20,98,21,283</b>
<b>III Profit Before Tax</b>		<b>1,67,14,658</b>	<b>2,93,42,165</b>
<b>IV Tax Expense:</b>			
- Current tax	30	48,67,749	87,15,554
- Adjustment of current tax relating to earlier years		-	-
- Deferred tax credit	30	2,68,299	(1,09,352)
<b>V Profit for the period</b>		<b>1,15,78,611</b>	<b>2,07,35,963</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		5,62,292	(2,77,398)
- Remeasurements of financial assets		(229)	(712)
- Recognition of borrowings using effective interest rate		(2,440)	(19,670)
<b>Other comprehensive income for the year, net of tax</b>		<b>1,21,38,234</b>	<b>2,04,38,184</b>
<b>VII Earnings per equity share Rs. 10/- each fully paid</b>			
- Basic	36	2.30	4.11
- Diluted	36	2.30	4.11
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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. Seshachalam**  
Partner  
Membership No. 004027**Laxminiwas Sharma**  
Chairman  
DIN : 00010899**Harinarayan Rathi**  
Managing Director  
DIN : 00010968**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441Place : Hyderabad  
Date : 22.05.2019**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 31<sup>st</sup> March, 2019**

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the period		1,67,14,658	2,93,42,165
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		14,14,480	21,64,893
Interest expense		23,43,044	29,04,403
Fair value loss on investments		-	17,12,738
Remeasurement of post employee benefits		5,62,292	(2,77,398)
Profit on sale of securities		-	(15,90,870)
Profit on sale of investments in mutual funds		(9,39,639)	(14,52,960)
Excess provision created written back		(97,000)	-
Dividend income		(1,00,700)	(1,30,400)
Interest income		(1,77,69,986)	(1,41,05,354)
<b>Cash generated before working capital changes</b>		<b>21,27,149</b>	<b>1,85,67,217</b>
<b>Movements in working capital:</b>			
Increase/(Decrease) in trade payables		29,10,666	7,65,72,513
Increase/(Decrease) in other current liabilities		(2,12,255)	11,56,333
Increase/(Decrease) in long term provisions		(2,25,618)	2,74,033
Increase/(Decrease) in short term provisions		56,440	33,961
(Increase)/Decrease in trade receivables		(25,06,392)	2,04,16,723
(Increase)/Decrease in other non-current financial assets		65,368	(65,005)
(Increase)/Decrease in non-current loans		40,00,000	2,00,000
(Increase)/Decrease in current loans		(3,64,14,215)	(2,76,85,785)
(Increase)/Decrease in other non-current assets		(24,992)	(2,32,163)
(Increase)/Decrease in other current financial assets		20,78,865	14,90,692
(Increase)/Decrease in other current assets		16,05,008	(28,35,624)
<b>Cash generated from operations</b>		<b>(2,65,39,976)</b>	<b>8,78,92,896</b>
Income taxes paid		(56,53,503)	(99,23,268)
<b>Net cash flow (used in)/from operating activities (A)</b>		<b>(3,21,93,479)</b>	<b>7,79,69,628</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, including intangible assets		(6,51,516)	(24,69,285)
Net (Purchase)/Sale of current investments		92,68,599	(50,64,836)
(Investment)/Redemption of bank deposits		(6,85,87,265)	1,39,47,824
Proceeds from sale of property, plant and equipment		-	-
Dividend received		1,00,700	1,30,400
Fair Value Gain/(Loss) on investments		-	(17,12,738)
Interest received		1,77,69,986	1,41,05,354
<b>Net cash flow (used in)/from investing activities [B]</b>		<b>(4,20,99,496)</b>	<b>1,89,36,719</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of)/Proceeds from long term borrowings		-	(3,30,681)
(Repayment of)/Proceeds from short term borrowings		(3,96,200)	(9,17,548)
Dividends paid on equity shares and tax on equity dividend paid		(72,91,148)	(60,88,047)
Interest paid		(23,43,044)	(29,04,403)
<b>Net cash flow (used in)/from financing activities [C]</b>		<b>(1,00,30,392)</b>	<b>(1,02,40,679)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		<b>(8,43,23,367)</b>	<b>8,66,65,668</b>
<b>E. Cash and cash equivalents</b>			
at the beginning of the year	13	12,98,03,962	4,31,38,294
at the end of the year		<b>4,54,80,595</b>	<b>12,98,03,962</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks			
- In current accounts		66,22,977	12,22,83,974
- Deposits with original maturity of less than 3 months		3,88,57,923	75,00,000
Cash on hand		23,914	19,988
<b>Less: Bank overdraft</b>		<b>(24,220)</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>4,54,80,594</b>	<b>12,98,03,962</b>
Corporate information	1		
summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	3 to 42		

As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

**T. Seshachalam**

Partner

Membership No. 004027

**Laxminiwas Sharma**

Chairman

DIN : 00010899

**Harinarayan Rathi**

Managing Director

DIN : 00010968

**Chetan Rathi**

Executive Director-cum-CFO

DIN : 00536441

Place : Hyderabad

Date : 22.05.2019

**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, 2019****Statement of Changes in Equity for the year ended March 31, 2019****A. Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid up</b>		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>5,04,00,000</b>	<b>5,04,00,000</b>

**B. Other Equity**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Movement in other equity is as follows:</b>		
<b>I. Capital Reserve</b>	<b>14,90,400</b>	<b>14,90,400</b>
<b>II. Securities Premium</b>	<b>2,26,16,151</b>	<b>2,26,16,151</b>
<b>III. General Reserve</b>	<b>9,66,955</b>	<b>9,66,955</b>
<b>IV. Retained Earnings</b>		
(i) Opening Balance	9,80,65,163	8,37,15,026
(ii) Profit for the year	1,15,78,611	2,07,35,963
(iii) Other comprehensive income	5,59,623	(2,97,779)
(iv) Dividend paid	(60,48,000)	(50,40,000)
(v) Tax on distributed profits	(12,43,148)	(10,26,025)
(vi) Difference in dividend tax paid due to rounding off	-	(22,022)
	<b>10,29,12,249</b>	<b>9,80,65,163</b>
<b>Total</b>	<b>12,79,85,755</b>	<b>12,31,38,669</b>

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. Seshachalam**  
Partner  
Membership No. 004027**Laxminiwas Sharma**  
Chairman  
DIN : 00010899**Harinarayan Rathi**  
Managing Director  
DIN : 00010968**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441Place : Hyderabad  
Date : 22.05.2019**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, 2019**
**Note 3: Property, plant and equipment**

Particulars	As at March 31, 2019	As at March 31, 2018
Furniture and Fittings	1,19,899	1,84,415
Motor Vehicles	16,77,880	24,37,971
Computers and Data Processing Units	2,42,041	3,98,371
Office Equipment	2,07,952	3,08,234
<b>Total</b>	<b>22,47,772</b>	<b>33,28,991</b>

**For the year 2018-19**

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>I. Gross Carrying Amount</b>					
As at April 01, 2018	7,63,055	86,57,542	21,99,851	20,75,540	<b>1,36,95,988</b>
Additions	-	-	1,27,764	32,368	<b>1,60,132</b>
Disposals	-	-	-	-	<b>-</b>
<b>Balance as at March 31, 2019</b>	<b>7,63,055</b>	<b>86,57,542</b>	<b>23,27,615</b>	<b>21,07,908</b>	<b>1,38,56,120</b>
<b>II. Accumulated Amortization</b>					
unto April 01, 2018	5,78,640	62,19,571	18,01,480	17,67,306	<b>1,03,66,997</b>
Depreciation expense for the period	64,516	7,60,092	2,84,094	1,32,650	<b>12,41,351</b>
Eliminated on disposal of assets	-	-	-	-	<b>-</b>
<b>Upto March 31, 2019</b>	<b>6,43,156</b>	<b>69,79,662</b>	<b>20,85,574</b>	<b>18,99,956</b>	<b>1,16,08,348</b>
<b>III. Net Carrying Amount (I-II)</b>					
As at March 31, 2019	<b>1,19,899</b>	<b>16,66,880</b>	<b>2,42,041</b>	<b>2,07,952</b>	<b>22,47,772</b>
As at March 31, 2018	<b>1,84,415</b>	<b>24,37,971</b>	<b>3,98,371</b>	<b>3,08,234</b>	<b>33,28,991</b>



**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 4 : Intangible Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Computer Software	3,81,935	63,678
<b>Total</b>	<b>3,81,935</b>	<b>63,678</b>

**For the year 2018-19**

	Description of Assets	Computer Software
I.	<b>Gross Carrying Amount</b>	
	<b>As at April 01, 2018</b>	8,25,763
	Additions	4,91,384
	Disposals	-
	<b>Balance as at March 31, 2019</b>	<b>13,17,147</b>
II.	<b>Accumulated Amortization</b>	
	<b>Upto April 01, 2018</b>	7,62,085
	Amortization expense for the period	1,73,127
	Eliminated on disposal of assets	-
	<b>Upto March 31, 2019</b>	<b>9,35,213</b>
III.	<b>Net Carrying Amount (I-II)</b>	
	<b>As at March 31, 2019</b>	<b>3,81,935</b>
	<b>As at March 31, 2018</b>	<b>63,678</b>

**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 5 : Non-current Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments in equity instruments (fully paid-up)</b>		
<b>(i) Unquoted Investments</b>		
<b>(a) Subsidiaries :</b>		
B.N.Rathi Comtrades Private Limited [10,00,000 ( <b>31.03.2018</b> : 10,00,000) equity shares of par value Rs. 10 each]	1,00,00,000	1,00,00,000
B.N.Rathi Industries Private Limited [5,00,000 ( <b>31.03.2018</b> : 5,00,000) equity shares of par value Rs. 10 each]	50,00,000	50,00,000
<b>Total</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>

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

**Note 6 : Non-current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
<b>Security Deposits</b>		
- Security Deposits with Stock Exchanges / Clearing Houses	91,00,000	1,31,00,000
<b>Total</b>	<b>91,00,000</b>	<b>1,31,00,000</b>

**Note 7 : Other Non-current Financial Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	3,15,011	3,80,608
<b>Total</b>	<b>3,15,011</b>	<b>3,80,608</b>

**Note 8 : Deferred Tax Asset (net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation	17,73,652	19,55,818
Employee benefits	6,61,845	7,47,977
<b>Total</b>	<b>24,35,497</b>	<b>27,03,795</b>


**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019**
**Note 9 : Other Non-current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	14,74,864	14,74,864
Prepaid Expenses	15,26,315	15,01,323
<b>Total</b>	<b>30,01,179</b>	<b>29,76,187</b>

**Note 10 : Current Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Investments in equity instruments (fully paid-up)</u></b>		
<b>(i) Quoted Investments</b>		
- BSE Limited[NIL (31.03.2018: 200) equity shares of face value Rs. 10 each]	-	1,46,510
- Aurobindo Pharma Limited [NIL (31.03.2018: 2,000) equity shares of face value Rs. 1 each]	-	11,00,700
- Deepak Fertilizers and Petrochemicals Corporation Limited[NIL (31.03.2018: 2,000) equity shares of face value Rs. 10 each]	-	5,90,900
- The India Cements Limited[NIL (31.03.2018: 5,000) equity shares of face value Rs. 10 each]	-	7,06,250
- MIRC Electronics Limited[NIL (31.03.2018: 30,000) equity shares of face value Rs. 1 each]	-	13,77,000
- NCC Limited[NIL (31.03.2018: 5,000) equity shares of face value Rs. 2 each]	-	5,91,750
- Ramco Industries Limited[NIL (31.03.2018: 7,000) equity shares of face value Rs. 1 each]	-	16,13,850
- Rashtriya Chemicals and Fertilizers Limited [NIL (31.03.2018: 30,000) equity shares of face value Rs. 10 each]	-	22,02,000
<b>(ii) Unquoted Investments</b>		
<b>(a) Other Investments:</b>		
- Mahesh Vidya Bhavan Limited [20,000 (31.03.2018: 20,000) equity shares of face value Rs. 10 each]	2,00,000	2,00,000
- Sevenhills Co-op Bank Limited [5,000 (31.03.2018: 5,000) equity shares of face value Rs. 10 each]	5,00,000	5,00,000
<b>Total</b>	<b>7,00,000</b>	<b>90,28,960</b>
Aggregate amount of quoted investments and market value thereof	-	83,28,960
Aggregate amount of unquoted investments	7,00,000	7,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	7,00,000	7,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	83,28,960

**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 11 : Current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Security margin money with Stock Exchanges / Clearing Houses	20,14,00,000	16,49,85,785
<b>Total</b>	<b>20,14,00,000</b>	<b>16,49,85,785</b>

**Note 12 : Trade Receivables (Refer Note 37)**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	-	-
Others	7,00,24,197	6,75,17,805
<b>Total</b>	<b>7,00,24,197</b>	<b>6,75,17,805</b>

**Note 13 : Cash and Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Balance with Banks</i>		
- In current accounts	66,22,977	12,22,83,974
- Deposits with original maturity of less than 3 months	3,88,57,923	75,00,000
Cash on hand	23,194	19,988
<b>Total</b>	<b>4,55,04,814</b>	<b>12,98,03,962</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) In earmarked account		
- Unpaid dividend accounts	15,69,399	16,24,211
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	-	-
- Remaining maturity for less than 12 months	14,08,75,000	7,22,32,923
<b>Total</b>	<b>14,24,44,399</b>	<b>7,38,57,134</b>

**Note 15 : Other current financial assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	18,20,274	18,31,915
Interest Accrued but not due	17,70,465	41,78,352
Short term loans & advances	10,000	-
Advances to employees	4,91,163	1,60,500
<b>Total</b>	<b>40,91,902</b>	<b>61,70,767</b>


**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019**
**Note 16 : Current Tax asset (Net of provisions)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	68,48,547	98,13,599
Current Tax Liabilities	48,67,749	87,15,554
<b>Total</b>	<b>19,80,798</b>	<b>10,98,045</b>

**Note 17 : Other Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	48,563	12,525
Balances with government authorities (Other than income taxes)	1,66,093	7,08,379
Other Current Assets	39,66,663	50,65,423
<b>Total</b>	<b>41,81,319</b>	<b>57,86,327</b>

**Note 18 : Share Capital**

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<b>Authorised:</b>				
Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000
<b>Total</b>	<b>50,40,000</b>	<b>5,04,00,000</b>	<b>50,40,000</b>	<b>5,04,00,000</b>

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2019</b>				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
<b>Year ended March 31, 2018</b>				
- 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.

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****(c) Details of shares held by each shareholder holding more than 5% shares\***

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
<b>Equity shares of Rs.10/- each fully paid</b>				
Hari Narayan Rathi	16,24,955	32.24%	15,71,490	31.18%
Chetan Rathi	4,98,534	9.89%	4,48,534	8.90%
Chanda Devi Rathi	3,12,406	6.20%	2,77,406	5.50%

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

**Note 19 : Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	14,90,400	14,90,400
Securities Premium	2,26,16,151	2,26,16,151
General Reserve	9,66,955	9,66,955
Retained Earnings	10,29,12,249	9,80,65,163
<b>Total</b>	<b>12,79,85,755</b>	<b>12,31,38,669</b>

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

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

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

**(b) Securities Premium**

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

**(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 Provisions (Refer Note 32)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity	23,42,526	25,68,144
<b>Total</b>	<b>23,42,526</b>	<b>25,68,144</b>

**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 21 : Current Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
From banks		
- Secured	-	3,93,760
Bank overdraft		
- Secured	24,220	-
<b>Total</b>	<b>24,220</b>	<b>3,93,760</b>

**Note 22 : Trade Payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Creditors - Clients	29,86,21,738	29,24,37,219
Sharing of Brokerage payable	74,38,072	92,65,075
Outstanding Liabilities	70,685	1,75,303
Other Payables	46,02,114	59,44,345
<b>Total</b>	<b>31,07,32,609</b>	<b>30,78,21,942</b>

**Note 23 : Current Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits (Refer Note 32)		
- Gratuity	2,03,030	1,46,590
<b>Total</b>	<b>2,03,030</b>	<b>1,46,590</b>

**Note 24 : Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividend	15,69,399	16,14,211
Statutory Remittances	26,16,458	39,67,031
Client Margin Deposits	63,64,745	48,97,270
Other Deposits - Sub brokers	5,70,082	8,54,428
<b>Total</b>	<b>1,11,20,684</b>	<b>1,13,32,939</b>

**Note 25 : Revenue from Operations (Gross)**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Income from broking operations	16,87,61,089	17,67,39,331
Other operating revenue	3,97,82,654	4,51,44,533
<b>Total</b>	<b>20,85,43,743</b>	<b>22,18,83,864</b>


**Notes to Financial Statements for the year ended March 31, 2019**
**Note 26 : Other Income**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Dividend Income	1,00,700	1,30,400
Interest income on deposits	1,77,69,986	1,41,05,354
Profit on sale of securities	-	15,90,870
Profit on sale of investments in Mutual Funds	9,39,639	14,52,960
Excess provision written back	97,000	-
<b>Total</b>	<b>1,89,07,325</b>	<b>1,72,79,584</b>

**Note 27 : Employee Benefit Expenses**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Salaries, allowances and wages	4,38,80,887	4,28,73,658
Contribution to provident and other funds	26,24,170	24,17,515
Staff welfare expenses	5,27,228	4,86,147
<b>Total</b>	<b>4,70,32,285</b>	<b>4,57,77,320</b>

**Note 28 : Finance Costs**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Interest expense on :		
- Working Capital	3,50,836	85,825
- Term Loan	5,190	95,195
- Others	19,87,018	20,83,401
Other borrowing costs	17,94,202	6,39,982
<b>Total</b>	<b>41,37,246</b>	<b>29,04,403</b>

**Note 29 : Other Expenses**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
<b>Operating expenses:</b>		
Transaction charges	2,55,92,926	2,54,05,571
Other operating expenses	86,41,951	81,83,214
<b>Others:</b>		
Power and fuel	11,61,417	10,81,111
Rent [Refer Note 34 & 35]	26,90,230	25,78,800
Repairs and maintenance	9,32,394	8,97,727
Insurance	1,71,140	1,63,650
Rates and taxes	23,65,083	28,23,474
Communication	9,78,286	10,10,075
Travelling and conveyance	4,45,800	3,86,416
Printing and stationary	10,61,164	11,67,303




**B.N. RATHI SECURITIES LIMITED**

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**Notes to Financial Statements for the year ended March 31, 2019**

Business promotion	3,67,984	4,84,925
Donations	2,00,000	3,00,000
Loss on sale of securities	17,80,174	-
Fair value loss on investments	-	17,12,738
Legal and professional	17,58,956	12,87,034
Auditor's remuneration:		
- Statutory audit	1,72,500	1,50,000
- Tax audit	70,000	50,000
- Certification	2,72,500	2,00,000
General and other administration expenses	36,26,670	27,62,398
<b>Total</b>	<b>5,22,89,175</b>	<b>5,06,44,436</b>

**Note 30 : Income Tax Expenses**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
<b>(a) Major components of income tax expense:</b>		
<b>(i) Current Income Tax</b>		
- Current income tax charge	48,67,749	87,15,554
- Adjustments in respect of current income tax of previous year	-	-
	<b>48,67,749</b>	<b>87,15,554</b>
<b>(ii) Deferred Tax</b>		
- Relating to origination/reversal of temporary differences	2,68,299	(1,09,352)
	<b>2,68,299</b>	<b>(1,09,352)</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>51,36,048</b>	<b>86,06,202</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Profit/(Loss) before tax from continuing operations	1,67,14,658	2,93,42,165
Indian tax rate	27.82%	27.55%
<b>Tax at the Indian tax rate</b>	<b>46,50,018</b>	<b>80,84,500</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes	8,97,327	14,64,562
Tax exempt income	(28,015)	(35,928)
Income taxed at special rates	1,62,860	5,03,145
Deferred Tax	2,68,299	(1,09,352)
Others	(57,58,051)	(13,00,725)
<b>Total Income Tax Expense</b>	<b>1,92,438</b>	<b>86,06,202</b>

**Notes to Financial Statements for the year ended March 31, 2019****Note 31 : Contingent Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Bank Guarantees	13,50,00,000	12,75,00,000
ii) Income Tax demand for AY 2011-2012 pending in appeal with CIT (Appeals)-1 Hyderabad.	65,40,228	-

**32. 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, 2019	March 31, 2018
Current service cost	1,84,331	1,92,635
Interest cost on benefit obligation	2,17,179	1,69,431
Past Service cost – vested benefits	-	-
Expected return on plan assets	(1,55,850)	-
Net actuarial loss/(gain) recognized in the year	(5,62,292)	2,77,398
<b>Net benefit expense</b>	<b>(3,16,632)</b>	<b>6,39,464</b>

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

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	25,45,556	27,14,734
Fair value of plan assets	(23,66,511)	(14,76,392)
<b>Plan liability</b>	<b>1,79,045</b>	<b>12,38,342</b>

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

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	27,14,734	22,62,278
Current service cost	1,84,331	1,92,635
Interest cost	2,17,179	1,69,431
Benefits paid	-	(2,88,779)
Actuarial gain/(losses) on obligation	(5,70,688)	3,79,169
<b>Closing defined benefit obligation</b>	<b>25,45,556</b>	<b>27,14,734</b>

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

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	16,77,182	13,38,149
Expected return	1,55,850	-
Contributions by employer	5,41,876	3,25,251
Benefits paid	-	(2,88,779)
Actuarial (losses)/gains	(8,396)	1,01,771
<b>Closing fair value of plan assets</b>	<b>23,66,511</b>	<b>14,76,392</b>

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**Notes to Financial Statements for the year ended March 31, 2019**

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

Particulars	March 31, 2019	March 31, 2018
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.

**33. 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.

**34. 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. Rath Comtrade Private Limited B.N. Rath Industries Private Limited
Key Management Personnel (KMP):	Hari Narayan Rath - <b>Managing Director</b> Chetan Rath - <b>Executive Director</b>
Relatives of Key Management Personnel (KMP):	Chanda Devi Rath - Wife of Hari Narayan Rath Nisha Rath - Wife of Chetan Rath Anuradha Pasari - Daughter of Hari Narayan Rath Govind Narayan Rath - Brother of Hari Narayan Rath

**b) Transactions with related parties:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Rent Paid:</b>	<b>9,60,000</b>	<b>9,60,000</b>
- Chanda Devi Rath	7,20,000	7,20,000
- Govind Narayan Rath HUF	2,40,000	2,40,000
<b>Remuneration Paid:</b>	<b>78,00,000</b>	<b>66,00,000</b>
- Hari Narayan Rath	42,00,000	36,00,000
- Chetan Rath	36,00,000	30,00,000


**B.N. RATHI SECURITIES LIMITED**

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**Notes to Financial Statements for the year ended March 31, 2019**

<b>Dividend Paid:</b>	<b>31,35,623</b>	<b>23,08,954</b>
- Hari Narayan Rathi	19,20,666	15,71,490
- Chetan Rathi	5,98,241	3,48,534
- Chanda Devi Rathi	3,74,887	2,62,406
- Nisha Rathi	2,41,829	1,26,524
<b>Service Rendered – Brokerage Received:</b>	<b>1,25,358</b>	<b>2,35,770</b>
- Hari Narayan Rathi	1,332	46,073
- Chetan Rathi	18,217	8,150
- Chanda Devi Rathi	12,718	18,294
- Nisha Rathi	10,071	20,043
- Govind Narayan Rathi	5,196	41,568
- Anuradha Pasari	6,219	4,937
- Hari Narayan Rathi HUF	72,144	96,707
<b>Unsecured Loans Taken:</b>	<b>-</b>	<b>1,50,00,000</b>
- Hari Narayan Rathi	-	1,25,00,000
- Chetan Rathi	-	25,00,000
<b>Unsecured Loans Repaid:</b>	<b>-</b>	<b>1,50,00,000</b>
- Hari Narayan Rathi	-	1,25,00,000
- Chetan Rathi	-	25,00,000
<b>Interest on Unsecured Loans:</b>	<b>-</b>	<b>4,19,178</b>
- Hari Narayan Rathi	-	3,22,603
- Chetan Rathi	-	96,575
<b>Sharing of Expenses:</b>	<b>82,00,350</b>	<b>79,22,341</b>
- B. N. Rathi Comtrade Private Limited	82,00,350	79,22,341
<b>Sharing of Expenses Recovered:</b>	<b>82,00,350</b>	<b>79,22,341</b>
- B. N. Rathi Comtrade Private Limited	82,00,350	79,22,341

**c) Related party balances:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current investments:</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>
- B. N. Rathi Industries Private Limited	50,00,000*	50,00,000
- B. N. Rathi Comtrade Private Limited	1,00,00,000	1,00,00,000
<b>Rent Deposit:</b>	<b>11,00,000</b>	<b>11,00,000</b>
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000

*\*Out of which Rs. 45,00,000 invested by B.N. Rathi Industries Private Limited in BNR Foods Specialities LLP [30% stake] during FY 17-18 has been disposed off during the FY 18-19 for Rs. Nil.*

**Notes to Financial Statements for the year ended March 31, 2019****35. 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, 2019	For the year ended March 31, 2018
Cancellable	26,90,230	25,78,800
<b>Total</b>	<b>26,90,230</b>	<b>25,78,800</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after taxation as per statement of profit and loss (for basic EPS)	1,15,78,611	2,07,35,963
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>1,15,78,611</b>	<b>2,07,35,963</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>50,40,000</b>	<b>50,40,000</b>

**(iii) Earnings per share:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Basic (Rs.)	2.30	4.11
- Diluted (Rs.)	2.30	4.11

**37. 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.

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

The Company has no dues to Micro and Small Enterprises as at March 31, 2019 and March 31, 2018 in the financial statements based on information received and available with the company.

**Notes to Financial Statements for the year ended March 31, 2019**

**39.** 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 Rao 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.

**40. 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, 2019	March 31, 2018
Fair Value Hierarchy	1	1
<b>Financial Assets</b>		
Listed Equity Instruments	-	83,28,960
Fair Value Hierarchy	3	3
<b>Financial Assets</b>		
Other Financial Assets - Security Deposits	21,35,285	22,12,523
<b>Financial Liabilities</b>		
Borrowings	24,220	3,93,760


**B.N. RATHI SECURITIES LIMITED**

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**Notes to Financial Statements for the year ended March 31, 2019**
**iii. Financial Instruments by category**

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

Particulars	31st March, 2019			31st March, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Equity investments	-	-	-	83,28,960	-	-
Other investments	-	-	1,57,00,000	-	-	1,57,00,000
Trade receivables	-	-	7,00,24,197	-	-	6,75,17,805
Loans	-	-	21,05,00,000	-	-	17,80,85,785
Cash and cash equivalents	-	-	4,55,04,814	-	-	12,98,03,962
Other bank balances	-	-	14,24,44,399	-	-	7,38,57,134
Others	-	21,35,285	-	-	22,12,523	43,38,852
<b>Total</b>	-	<b>21,35,285</b>	<b>48,41,73,410</b>	<b>83,28,960</b>	<b>22,12,523</b>	<b>46,93,03,538</b>
<b>Financial Liabilities</b>						
Borrowings	-	24,220	-	-	3,93,760	-
Trade Payables	-	-	31,07,32,607	-	-	30,78,21,942
<b>Total</b>	-	<b>24,220</b>	<b>31,07,32,607</b>	-	<b>3,93,760</b>	<b>30,78,21,942</b>

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

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

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

**Notes to Financial Statements for the year ended March 31, 2019****41. 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, 2019	March 31, 2018
Equity Index – Increase by 5%	-	3,12,336
Equity Index – Decrease by 5%	-	(3,12,336)

**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, 2019	March 31, 2018
Past due not impaired:		
0-30 Days	5,28,86,350	4,40,10,851
31-90 Days	3,57,523	2,05,84,781
91-180 Days	1,67,80,324	29,22,173
Greater than 180 Days	-	-
<b>Total</b>	<b>7,00,24,197</b>	<b>6,75,17,805</b>



**Notes to Financial Statements for the year ended March 31, 2019****iii. Liquidity Risk**

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b><u>March 31, 2019</u></b>				
Borrowings	24,220	-	-	<b>24,220</b>
Trade Payables	31,07,32,607	-	-	31,07,32,607
<b>Total</b>	<b>31,07,56,827</b>	-	-	<b>31,07,56,827</b>
<b><u>March 31, 2018</u></b>				
Borrowings	3,93,760	-	-	3,93,760
Trade Payables	24,87,87,115	5,90,34,827	-	<b>30,78,21,942</b>
<b>Total</b>	<b>24,91,80,875</b>	<b>5,90,34,827</b>	-	<b>30,82,15,702</b>

**42. 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.

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**Notes to Financial Statements for the year ended March 31, 2019**

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

<b>Particulars</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Non-Current Borrowings	-	-
Current Borrowings	24,220	3,93,760
<b>Total Debt</b>	<b>24,220</b>	<b>3,93,760</b>
As a percentage of total capital	0.01%	0.23%
<b>Equity</b>	17,83,85,755	17,35,38,669
As a percentage of total capital	99.99%	99.77%
<b>Total Capital (Debt and Equity)</b>	<b>17,84,09,975</b>	<b>17,39,32,429</b>

As per our Report of even date.

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

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

Firm Registration Number : 003714S

**T. Seshachalam**  
Partner  
Membership No. 004027

**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 : 22.05.2019



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

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

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

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of B. N. Rathi Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

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

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates



that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
  - e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A",



which is based on the auditors' reports of the Holding company and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Group does not have any pending litigations which would impact its financial position.
  - ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

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

**T. Seshachalam**  
Partner  
Membership No. 004027

Place : Hyderabad  
Date : 22.05.2019



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

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

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

In conjunction with our audit of the consolidated Ind As financial statements of the Group as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of B.N.Rathi Securities Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies as of that date.

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

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

#### **Auditor’s Responsibility**

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

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

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

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

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



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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies, as adopted by each company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**T. Seshachalam**  
Partner  
Membership No. 04027

Place : Hyderabad  
Date : 22.05.2019





## 1. Group Information:

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

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

## 2. Significant Accounting Policies:

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

### a) Basis of preparation:

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

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

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

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

Name of the consolidating entities	Country of Incorporation	Percentage Holding/Interest (%)	
		As at March 31, 2019	As at March 31, 2018
B. N. Rathi Comtrade Private Limited	India	100.00	100.00
B. N. Rathi Industries Private Limited	India	100.00	100.00

### b) Use of estimates and judgements:

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

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



**c) Fair value measurement:**

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

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

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

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

**i. Recognition and initial measurement:**

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

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

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

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

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

**iii. De-recognition:**

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

**iv. Transition to Ind AS:**

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

**e) Intangible Assets:**

**i. Recognition and initial measurement:**

Intangible assets (software) are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase



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

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

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

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

**iii. Transition to Ind AS:**

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

**g) Impairment of assets:**

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

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

**h) Revenue Recognition:**

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

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

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

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

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



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

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

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

**i) Leases:**

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

**j) Financial Instruments:**

**a. Financial Assets**

***Initial recognition and measurement***

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

***Subsequent measurement***

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

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

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



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

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

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

### **b. Financial Liabilities**

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

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

#### ***Subsequent measurement***

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

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

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

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

### **c. Offsetting financial instruments**

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

### **k) Borrowing costs:**

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

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



**l) Employee Benefits:**

**a. Short-term benefit plans**

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

**b. Defined contribution plans**

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

**c. Defined benefit plans**

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

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

**m) Income Taxes:**

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

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted



for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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

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

Contingent liability is disclosed for:

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

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

**o) Cash and cash equivalents:**

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

**p) Cash flow statement:**

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

**q) Earnings per share:**

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

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

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	23,40,946	34,74,642
(b) Intangible assets	4	3,81,935	63,678
(c) Financial Assets			
- Investments	5	-	45,00,000
- Loans	6	1,56,00,000	1,86,00,000
- Other non-current financial assets	7	3,15,011	3,80,608
(d) Deferred tax assets (Net)	8	27,82,220	30,80,744
(e) Other non-current assets	9	30,01,179	29,76,187
<b>Total Non-Current Assets [A]</b>		<b>2,44,21,291</b>	<b>3,30,75,858</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
- Investments	10	7,00,000	90,28,960
- Loans	11	20,90,87,962	17,26,76,834
- Trade receivables	12	11,33,95,981	11,14,64,106
- Cash and cash equivalents	13	3,81,27,334	16,04,43,913
- Bank balances other than above	14	21,95,52,322	11,76,07,134
- Other current financial assets	15	48,80,960	69,57,618
(b) Current tax asset [Net of provision]	16	19,83,841	12,00,482
(c) Other current assets	17	44,15,542	60,69,324
<b>Total Current Assets [B]</b>		<b>59,12,43,942</b>	<b>58,54,48,372</b>
<b>TOTAL ASSETS [A+B]</b>		<b>61,65,65,233</b>	<b>61,84,60,552</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	18	5,04,00,000	5,04,00,000
(b) Other Equity	19	15,87,29,852	15,31,05,819
<b>Total Equity [A]</b>		<b>20,91,29,852</b>	<b>20,35,05,819</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	20	-	-
(b) Provisions	21	23,42,526	25,68,144
<b>Total Non-Current Liabilities [B]</b>		<b>23,42,526</b>	<b>25,68,144</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	22	24,787	3,96,490
- Trade payables	23	39,20,39,754	39,90,30,902
(b) Provisions	24	2,03,030	1,46,590
(c) Current tax liability (Net of advance tax)	25	44,327	-
(d) Other current liabilities	26	1,27,80,957	1,28,76,286
<b>Total Current Liabilities [C]</b>		<b>40,50,92,855</b>	<b>41,24,50,268</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B+C]</b>		<b>61,65,65,233</b>	<b>61,85,24,231</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 44		

As per our Report of even date.

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

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

**T. Seshachalam**  
Partner  
Membership No. 004027

**Laxminiwas Sharma**  
Chairman  
DIN : 00010899

**Harinarayan Rathi**  
Managing Director  
DIN : 00010968

**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441

Place : Hyderabad  
Date : 22.05.2019

**Sabitha Reddy**  
Company Secretary

**M.V. Rao**  
Compliance Officer




**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2019**

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>I REVENUE</b>			
Revenue from Operations (Gross)	27	25,73,20,990	27,40,95,836
Other Income	28	2,37,08,536	2,29,68,553
<b>TOTAL REVENUE [I]</b>		<b>28,10,29,526</b>	<b>29,70,64,389</b>
<b>II EXPENSES</b>			
Employee benefit expenses	29	5,55,83,389	5,43,67,699
Finance costs	30	44,47,297	32,58,787
Depreciation and amortization expense	3 & 4	14,66,955	23,97,604
Other expenses	31	7,48,93,249	6,82,07,817
Share of brokerage		12,52,79,586	13,07,56,148
<b>TOTAL EXPENSES [II]</b>		<b>26,16,70,476</b>	<b>25,89,88,056</b>
<b>III Profit Before Tax</b>		<b>1,93,59,050</b>	<b>3,80,76,333</b>
<b>IV Tax Expense:</b>			
- Current tax	32	67,04,967	1,09,80,714
- Adjustment of current tax relating to earlier years	32	-	-
- Deferred tax credit	32	2,98,525	(72,915)
<b>V Profit for the year</b>		<b>1,23,55,558</b>	<b>2,71,68,534</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		5,62,292	(2,77,398)
- Remeasurements of financial assets		(229)	(712)
- Recognition of borrowings using effective interest rate		(2,440)	(19,670)
<b>Other comprehensive income for the year, net of tax</b>		<b>1,29,15,181</b>	<b>2,68,70,755</b>
<b>VII Earnings per equity share Rs. 10/- each fully paid</b>			
- Basic	38	2.45	5.39
- Diluted	38	2.45	5.39
Corporate information summary of significant accounting policies	1		
Accompanying notes forming an integral part of the financial statements	2		
	1 to 44		

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. Seshachalam**  
Partner  
Membership No. 004027

**Laxminiwas Sharma**  
Chairman  
DIN : 00010899

**Harinarayan Rathi**  
Managing Director  
DIN : 00010968

**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441

Place : Hyderabad  
Date : 22.05.2019

**Sabitha Reddy**  
Company Secretary

**M.V. Rao**  
Compliance Officer


**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) for the period</b>	<b>1,93,59,050</b>	<b>3,80,76,333</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	14,66,955	23,97,604
Interest expense	23,62,986	32,58,787
Fair value loss on investments	-	17,12,738
Loss on sale of investment in LLP	45,00,000	-
Profit on sale of property, plant and equipment	-	(99,353)
Loss on sale of plant, property & equipment	-	-
Excess provision written back	(1,39,771)	(92,367)
Remeasurement of post employee benefits	5,62,292	(2,77,398)
Profit on sale of securities	-	(15,90,870)
Profit on sale of investments in mutual funds	(10,56,001)	(19,93,784)
Fair value gain on investments	-	-
Dividend income	(1,00,700)	(1,30,400)
Interest income	(2,22,35,758)	(1,87,81,317)
<b>Cash generated before working capital changes</b>	<b>47,19,052</b>	<b>2,24,79,974</b>
<b>Movements in working capital:</b>		
Increase/(Decrease) in trade payables	(69,91,148)	6,11,76,296
Increase/(Decrease) in other current liabilities	44,442	14,74,833
Increase/(Decrease) in long term provisions	(2,25,618)	2,74,033
Increase/(Decrease) in short term provisions	56,440	33,961
(Increase)/Decrease in trade receivables	(19,31,875)	2,01,55,372
(Increase)/Decrease in other non-current financial assets	65,368	(65,005)
(Increase)/Decrease in non-current loans	30,00,000	2,00,000
(Increase)/Decrease in current loans	(3,64,11,128)	(2,51,65,208)
(Increase)/Decrease in other non-current assets	(24,992)	(2,32,163)
(Increase)/Decrease in other current financial assets	20,76,658	16,20,234
(Increase)/Decrease in other current assets	16,53,782	(25,06,516)
<b>Cash generated from operations</b>	<b>(3,39,69,018)</b>	<b>7,94,45,811</b>
Income taxes paid	(74,44,000)	(1,27,58,117)
<b>Net cash flow (used in)/from operating activities (A)</b>	<b>(4,14,13,017)</b>	<b>6,66,87,694</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, including intangible assets	(6,51,516)	(25,71,485)
Net (Purchase)/Sale of current investments	93,84,961	35,21,668
(Investment)/Redemption of bank deposits	(10,19,45,188)	1,84,47,824
Investments	-	(45,00,000)
Proceeds from sale of property, plant and equipment	-	1,00,000
Dividend received	1,00,700	1,30,400
Fair Value Gain/(Loss) on investments	-	(17,12,738)
Interest received	2,22,35,758	1,87,81,317
<b>Net cash flow (used in)/from investing activities [B]</b>	<b>(7,08,75,285)</b>	<b>3,21,96,986</b>

**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment of)/Proceeds from long term borrowings	-	(3,30,681)
(Repayment of)/Proceeds from short term borrowings	(3,96,200)	(9,17,519)
Dividends paid on equity shares and tax on equity dividend paid	(72,91,148)	(60,88,047)
Interest paid	(23,62,986)	(32,58,787)
<b>Net cash flow (used in)/from financing activities [C]</b>	<b>(1,00,50,334)</b>	<b>(1,05,95,034)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>	<b>(12,23,38,636)</b>	<b>8,82,89,646</b>
<b>E. Cash and cash equivalents</b>		
at the beginning of the year	16,04,41,183	7,21,51,537
at the end of the year	<b>3,81,02,547</b>	<b>16,04,41,183</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks		
- In current accounts	1,05,97,230	13,09,16,100
- Deposits with original maturity of less than 3 months	2,75,00,000	2,95,00,000
Cash on hand	30,104	27,813
<b>Less: Bank overdraft</b>	<b>(24,787)</b>	<b>(2,730)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,81,02,547</b>	<b>16,04,41,183</b>
Corporate information summary of significant accounting policies Accompanying notes forming an integral part of the financial statements	1 2 1 to 44	

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. Seshachalam**  
Partner  
Membership No. 004027

**Laxminiwas Sharma**  
Chairman  
DIN : 00010899

**Harinarayan Rathi**  
Managing Director  
DIN : 00010968

**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441

Place : Hyderabad  
Date : 22.05.2019

**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, 2019****Statement of Changes in Equity for the year ended March 31, 2019****A. Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i></b>		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>5,04,00,000</b>	<b>5,04,00,000</b>

**B. Other Equity**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b><i>Movement in other equity is as follows:</i></b>		
<b>I. Capital Reserve</b>	<b>14,90,400</b>	<b>14,90,400</b>
<b>II. Securities Premium</b>	<b>2,26,16,151</b>	<b>2,26,16,151</b>
<b>III. General Reserve</b>	<b>11,46,655</b>	<b>11,46,655</b>
<b>IV. Retained Earnings</b>		
(i) Opening Balance	12,78,52,613	10,70,69,905
(ii) Profit for the year	1,23,55,558	2,71,68,534
(iii) Other comprehensive income	5,59,623	(2,97,779)
(iv) Proposed dividend and tax on the same	(72,91,148)	(60,88,047)
	<b>13,34,76,646</b>	<b>12,78,52,613</b>
<b>Total</b>	<b>15,87,29,852</b>	<b>15,31,05,819</b>

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. Seshachalam**  
Partner  
Membership No. 004027

**Laxminiwas Sharma**  
Chairman  
DIN : 00010899

**Harinarayan Rathi**  
Managing Director  
DIN : 00010968

**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441

Place : Hyderabad  
Date : 22.05.2019

**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, 2019**
**Note 3: Property, plant and equipment**

Particulars	As at March 31, 2019	As at March 31, 2018
Furniture and Fittings	1,56,768	2,34,161
Motor Vehicles	16,95,063	24,61,154
Computers and Data Processing Units	2,56,964	4,38,876
Office Equipment	2,32,152	3,40,451
<b>Total</b>	<b>23,40,946</b>	<b>34,74,642</b>

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>For the year 2018-19</b>					
<b>I. Gross Block</b>					
Opening Balance	29,62,015	87,24,004	27,72,948	25,58,991	<b>1,70,17,958</b>
Additions	-	-	1,27,764	32,368	<b>1,60,132</b>
Disposals	-	-	-	-	<b>-</b>
<b>Balance as at March 31, 2019</b>	<b>29,62,015</b>	<b>87,24,004</b>	<b>29,00,712</b>	<b>25,91,359</b>	<b>1,71,78,090</b>
<b>II. Accumulated Depreciation</b>					
Opening Balance	27,27,854	62,62,850	23,34,072	22,18,540	<b>1,35,43,316</b>
Depreciation expense for the year	77,393	7,66,091	3,09,676	1,40,666	<b>12,93,827</b>
Eliminated on disposal of assets	-	-	-	-	<b>-</b>
<b>Balance as at March 31, 2019</b>	<b>28,05,247</b>	<b>70,28,941</b>	<b>26,43,748</b>	<b>23,59,207</b>	<b>1,48,37,144</b>
<b>III. Net Block (I-II)</b>					
Carrying value as at March 31, 2019	<b>1,56,768</b>	<b>16,95,063</b>	<b>2,56,964</b>	<b>2,32,152</b>	<b>23,40,946</b>
Carrying value as at March 31, 2018	<b>2,34,161</b>	<b>24,61,154</b>	<b>4,38,876</b>	<b>3,40,451</b>	<b>34,74,642</b>

<b>For the year 2017-18</b>					
<b>I. Gross Block</b>					
Opening Balance	29,38,615	75,96,410	21,79,033	23,41,631	1,50,55,689
Additions	23,400	17,36,810	5,93,915	2,17,360	25,71,485
Disposals	-	6,09,216	-	-	<b>6,09,216</b>
<b>Balance as at March 31, 2018</b>	<b>29,62,015</b>	<b>87,24,004</b>	<b>27,72,948</b>	<b>25,58,991</b>	<b>1,70,17,958</b>
<b>II. Accumulated Depreciation</b>					
Opening Balance	25,05,473	56,68,131	18,42,371	19,23,720	1,19,39,695
Depreciation expense for the year	2,22,381	12,03,257	4,91,701	2,94,820	22,12,159
Eliminated on disposal of assets	-	6,08,538	-	-	<b>6,08,538</b>
<b>Balance as at March 31, 2018</b>	<b>27,27,854</b>	<b>62,62,850</b>	<b>23,34,072</b>	<b>22,18,540</b>	<b>1,35,43,316</b>
<b>III. Net Block (I-II)</b>					
Carrying value as at March 31, 2018	<b>2,34,161</b>	<b>24,61,154</b>	<b>4,38,876</b>	<b>3,40,451</b>	<b>34,74,642</b>
Carrying value as at March 31, 2017	<b>4,33,142</b>	<b>19,28,279</b>	<b>3,36,662</b>	<b>4,17,911</b>	<b>31,15,994</b>


**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019**
**Note 4 : Intangible Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Computer Software	3,81,935	63,678
<b>Total</b>	<b>3,81,935</b>	<b>63,678</b>

**For the year 2018-19**

	Description of Assets	Computer Software
I.	<b>Gross Block</b>	
	<b>Opening Balance</b>	8,25,763
	Additions	4,91,384
	Disposals	-
	<b>Balance as at March 31, 2018</b>	<b>13,17,147</b>
II.	<b>Accumulated Amortization</b>	
	<b>Opening Balance</b>	7,62,085
	Amortization expense for the year	1,73,127
	Eliminated on disposal of assets	-
	<b>Upto March 31, 2018</b>	<b>9,35,213</b>
III.	<b>Net Block (I-II)</b>	
	<b>Carrying Value As at March 31, 2019</b>	<b>3,81,935</b>
	<b>Carrying Value As at March 31, 2018</b>	<b>63,678</b>

**For the year 2017-18**

	Description of Assets	Computer Software
I.	<b>Gross Block</b>	
	<b>Opening Balance</b>	8,25,763
	Additions	-
	Disposals	-
	<b>Balance as at March 31, 2018</b>	<b>8,25,763</b>
II.	<b>Accumulated Amortization</b>	
	<b>Opening Balance</b>	5,76,640
	Amortization expense for the year	1,85,445
	Eliminated on disposal of assets	-
	<b>Balance as at March 31, 2018</b>	<b>7,62,085</b>
III.	<b>Net Block (I-II)</b>	
	<b>Carrying Value As at March 31, 2018</b>	<b>63,678</b>
	<b>Carrying Value As at March 31, 2017</b>	<b>2,49,123</b>

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 5 : Non-current Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Unquoted Investments</b>		
<b>Investment in LLP</b>		
- Investment in BNR Food Specialities LLP	-	45,00,000
<b>Total</b>	<b>-</b>	<b>45,00,000</b>

Aggregate amount of quoted investments and market value thereof

-

-

Aggregate amount of unquoted investments

-

45,00,000

Aggregate amount of impairment in the value of investments

-

-

Aggregate amount of fair value changes in the value of investments

-

-

Investments carried at cost

-

45,00,000

Investments carried at amortized cost

-

-

Investments carried at fair value through profit and loss

-

-

**Note 6 : Non-current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
<b>Security Deposits</b>		
- Security Deposits with Stock Exchanges/Clearing Houses	1,56,00,000	1,86,00,000
<b>Total</b>	<b>1,56,00,000</b>	<b>1,86,00,000</b>

**Note 7 : Other Non-current Financial Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	3,15,011	3,80,608
<b>Total</b>	<b>3,15,011</b>	<b>3,80,608</b>

**Note 8 : Deferred Tax Asset (net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation	21,20,375	23,32,767
Employee benefits	6,61,845	7,47,977
<b>Total</b>	<b>27,82,220</b>	<b>30,80,744</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	14,74,864	14,74,864
Prepaid expenses	15,26,315	15,01,323
<b>Total</b>	<b>30,01,179</b>	<b>29,76,187</b>


**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019**
**Note 10 : Current Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Investments in equity instruments (fully paid-up)</u></b>		
<b>(i) Quoted Investments</b>		
- Vantel Technologies Limited[Nil (31.03.2018: Nil) equity shares of face value Rs. 1 each]	-	-
- Hinduja Ventures[Nil (31.03.2018: Nil) equity shares of face value Rs. 10 each]	-	-
- BSE Limited[Nil (31.03.2018: 200) equity shares of face value Rs. 10 each]	-	1,46,510
- Canara Bank[Nil (31.03.2018: Nil) equity shares of face value Rs. 10 each]	-	-
- IP Rings Limited[Nil (31.03.2018: Nil) equity shares of face value Rs. 10 each]	-	-
- Aurobindo Pharma Limited [Nil (31.03.2018: 2000) equity shares of face value Rs. 1 each]	-	11,00,700
- Deepak Fertilizers and Petrochemicals Corporation Limited[Nil (31.03.2018: 2000) equity shares of face value Rs. 10 each]	-	5,90,900
- The India Cements Limited[Nil (31.03.2018: 5000) equity shares of face value Rs. 10 each]	-	7,06,250
- MIRC Electronics Limited[Nil (31.03.2018: 30,000) equity shares of face value Rs. 1 each]	-	13,77,000
- NCC Limited[Nil (31.03.2018: 5000) equity shares of face value Rs. 2 each]	-	5,91,750
- Ramco Industries Limited[Nil (31.03.2018: 7000) equity shares of face value Rs. 1 each]	-	16,13,850
- Rashtriya Chemicals and Fertilizers Limited [Nil (31.03.2018: 30,000) equity shares of face value Rs. 10 each]	-	22,02,000
<b>(ii) Investments in Mutual Funds [FVTPL]</b>		
- Birla Sun Life Mutual Fund [Nil (31.03.2018: 30,884.96) Units of Rs. 100 each]	-	-
<b>(iii) Unquoted Investments</b>		
<b>(a) Other Investments:</b>		
- Mahesh Vidya Bhavan Limited [20,000 (31.03.2018: 20,000) equity shares of face value Rs. 10 each]	2,00,000	2,00,000
- Bombay Stock Exchange[Nil (31.03.2018: Nil) equity shares of face value Rs. 10 each]	-	-
- Sevenhills Co-op Bank Limited [5,000 (31.03.2018: 5,000) equity shares of face value Rs. 10 each]	5,00,000	5,00,000
<b>Total</b>	<b>7,00,000</b>	<b>90,28,960</b>
Aggregate amount of quoted investments and market value thereof	-	83,28,960
Aggregate amount of unquoted investments	7,00,000	7,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	7,00,000	7,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	83,28,960



**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 11 : Current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Security margin money with Stock Exchanges/Clearing Houses	20,14,00,000	16,64,26,834
Margin with exchanges	52,50,000	62,50,000
Loan given to BNR Food Specialities LLP	5,00,000	-
<b>Total</b>	<b>20,90,87,962</b>	<b>17,26,76,834</b>

**Note 12 : Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	4,33,01,322	4,36,30,486
Others (Refer Note 39)	7,00,94,659	6,78,33,620
<b>Total</b>	<b>11,33,95,981</b>	<b>11,14,64,106</b>

**Note 13 : Cash and Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Balance with Banks</i>		
- In current accounts	1,05,97,230	13,09,16,100
- Deposits with original maturity of less than 3 months	2,75,00,000	2,95,00,000
Cash on hand	30,104	27,813
<b>Total</b>	<b>3,81,27,334</b>	<b>16,04,43,913</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) In earmarked account		
- Unpaid dividend accounts	15,69,399	16,24,211
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	36,07,923	-
- Remaining maturity for less than 12 months	21,43,75,000	11,59,82,923
<b>Total</b>	<b>21,95,52,322</b>	<b>11,76,07,134</b>

**Note 15 : Other current financial assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	18,20,274	18,31,915
Interest Accrued but not due	25,34,523	49,00,203
Advances to related parties	10,000	-
Advances to employees	5,16,163	2,25,500
<b>Total</b>	<b>48,80,960</b>	<b>69,57,618</b>


**B.N. RATHI SECURITIES LIMITED**

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**Notes to Financial Statements for the year ended March 31, 2019**
**Note 16 : Current Tax asset (Net of provisions)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	68,64,855	1,21,81,195
Current Tax Liabilities	48,81,014	1,09,80,713
<b>Total</b>	<b>19,83,841</b>	<b>12,00,482</b>

**Note 17 : Other Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	2,31,510	2,11,984
Balances with government authorities (Other than income taxes)	2,17,369	7,91,917
Other Current Assets	39,66,663	50,65,423
<b>Total</b>	<b>44,15,542</b>	<b>60,69,324</b>

**Note 18 : Share Capital**

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<b>Authorised:</b>				
Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000
<b>Total</b>	<b>50,40,000</b>	<b>5,04,00,000</b>	<b>50,40,000</b>	<b>5,04,00,000</b>

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2019</b>				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
<b>Year ended March 31, 2018</b>				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
<b>As at April 01, 2017</b>				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000

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**(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 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
<b>Equity shares of Rs.10/- each fully paid</b>				
Hari Narayan Rathi	15,71,490	31.18%	15,71,490	31.18%
Chetan Rathi	4,48,534	8.90%	3,48,534	6.92%
Chanda Devi Rathi	2,77,406	5.50%	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.

**Note 19 : Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	14,90,400	14,90,400
Securities Premium	2,26,16,151	2,26,16,151
General Reserve	11,46,655	11,46,655
Retained Earnings	13,34,76,646	12,78,52,613
<b>Total</b>	<b>15,87,29,852</b>	<b>15,31,05,819</b>

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

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

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

**(b) Securities Premium**

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

**(c) General Reserve**

This represents appropriation of profit by the company.

**(d) Retained Earnings**

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

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**Notes to Financial Statements for the year ended March 31, 2019****Note 20 : Non-current borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan from Banks		
<b>Security</b>		
- HDFC Bank Limited	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note:** The term loan is secured by way of hypothecation of vehicle purchased. The Loan is repayable in 36 equal monthly instalments. The applicable interest rate is 9.37%. The period of maturity with respect to balance sheet date is 3 instalments.

**Note 21 : Non-Current Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity (Refer Note 34)	23,42,526	25,68,144
<b>Total</b>	<b>23,42,526</b>	<b>25,68,144</b>

**Note 22 : Current Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
From banks		
- Secured (Refer Note 20)	-	3,93,760
Bank overdraft		
- Secured	24,787	2,730
<b>Total</b>	<b>24,787</b>	<b>3,96,490</b>

**Note 23 : Trade Payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Creditors - clients [Refer Note 39 & 40]	33,38,40,037	33,70,34,364
Creditors - NSEL	4,33,03,089	4,36,32,253
Sharing of Brokerage payable	91,56,903	1,09,73,330
Creditors - Suppliers and other services	10,66,928	12,61,307
Outstanding Liabilities	70,683	1,75,303
Other Payables	46,02,114	59,54,345
<b>Total</b>	<b>39,20,39,754</b>	<b>39,90,30,902</b>

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**Notes to Financial Statements for the year ended March 31, 2019****Note 24 : Current Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity (Refer Note 34)	2,03,030	1,46,590
<b>Total</b>	<b>2,03,030</b>	<b>1,46,590</b>

**Note 25 : Current Tax Liability (Net of advance tax)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	17,79,627	-
Current Tax Liabilities	18,23,953	-
<b>Total</b>	<b>44,327</b>	<b>-</b>

**Note 26 : Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividend	15,69,399	16,14,211
Statutory Remittances	37,51,948	50,48,332
Client Margin Deposits	68,56,739	52,93,486
Other Payables	32,789	-
Other Deposits - Sub brokers	5,70,082	9,20,257
<b>Total</b>	<b>1,27,80,957</b>	<b>1,28,76,286</b>

**Note 27 : Revenue from Operations (Gross)**

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Income from broking operations	20,31,96,024	21,43,15,490
Other operating revenue	5,41,24,966	5,97,80,346
<b>Total</b>	<b>25,73,20,990</b>	<b>27,40,95,836</b>


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**Notes to Financial Statements for the year ended March 31, 2019**
**Note 28 : Other Income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	1,00,700	1,30,400
Interest income on deposits	2,22,35,758	1,87,81,317
Commission income	83,000	-
Fair value gain on investments	-	-
Profit on sale of Property, plant and equipment	-	99,353
Profit on sale of securities	-	5,90,870
Bad Debts Recovered	22,951	-
Miscellaneous income	70,355	2,80,462
Excess provision written back	1,39,771	92,367
Profit on sale of investments in Mutual Funds	10,56,001	19,93,784
<b>Total</b>	<b>2,37,08,536</b>	<b>2,29,68,553</b>

**Note 29 : Employee Benefit Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, allowances and wages	5,24,31,991	5,14,64,037
Contribution to provident and other funds	26,24,170	24,17,515
Staff welfare expenses	5,27,228	4,86,147
<b>Total</b>	<b>5,55,83,389</b>	<b>5,43,67,699</b>

**Note 30 : Finance Costs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on:		
- Working Capital	3,70,778	1,09,755
- Term Loan	5,190	95,195
- Others	19,87,018	20,83,401
- Delayed remittance of Income tax	-	28,673
Other borrowing costs	20,84,311	9,41,763
<b>Total</b>	<b>44,47,297</b>	<b>32,58,787</b>


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**Notes to Financial Statements for the year ended March 31, 2019**
**Note 31 : Other Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Operating expenses:</b>		
Transaction charges	3,80,19,503	3,79,71,198
Other operating expenses	1,02,59,797	92,63,214
<b>Others:</b>		
Power and fuel	16,08,790	15,19,059
Rent [Refer Note 36 and 37]	31,61,230	30,40,800
Repairs and maintenance	12,72,031	11,94,800
Insurance	1,82,273	1,83,420
Rates and taxes	25,17,049	30,53,327
Communication	20,32,202	20,46,332
Travelling and conveyance	5,35,952	4,34,746
Printing and stationary	10,61,164	11,67,303
Business promotion	4,15,032	5,35,063
Donations	4,46,000	5,00,000
Loss on sale of securities	17,80,174	-
Loss on sale of investments in LLP	45,00,000	-
Fair value loss on investments	-	17,12,738
Advertisement Expenses	7,500	7,500
Legal and professional	22,67,456	17,31,734
Auditor's remuneration:		
- Statutory audit	2,87,500	2,45,000
- Tax audit	70,000	65,000
- Certification	2,72,500	2,00,000
Balances written off	-	1,12,439
Loss on sale of Property, plant and equipment	-	-
General and other administration expenses	41,97,096	32,24,144
<b>Total</b>	<b>70,03,492</b>	<b>1,09,07,799</b>

**Note 32 : Income Tax**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) Major components of income tax expense:</b>		
<b>(i) Current Income Tax</b>		
- Current income tax charge	67,04,967	1,09,80,714
- Adjustments in respect of current income tax of previous year	-	-
	<b>67,04,967</b>	<b>1,09,80,714</b>
<b>(ii) Deferred Tax</b>		
- Relating to origination/reversal of temporary differences	2,98,525	(72,915)
	<b>2,98,525</b>	<b>(72,915)</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,09,07,799</b>	<b>1,33,74,106</b>


**Notes to Financial Statements for the year ended March 31, 2019**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Profit/(Loss) before tax from continuing operations	1,93,59,049	3,80,76,332
Indian tax rate	27.82%	27.55%
<b>Tax at the Indian tax rate</b>	<b>53,37,561</b>	<b>1,03,33,548</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes	21,44,931	16,01,480
Tax exempt income	(28,015)	(35,928)
Income taxed at special rates	1,81,012	5,74,720
Deferred Tax	2,98,525	(72,915)
Others	(9,30,522)	(14,93,105)
<b>Total Income Tax Expense</b>	<b>70,03,492</b>	<b>1,09,07,800</b>

**33. Contingent liabilities :**

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantees	16,15,00,000	15,65,00,000
Income tax demand for AY 2011-2012 pending in appeal with CIT (Appeals)-1 Hyderabad	65,40,228	

**34. Employee Benefits :**

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

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

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

Particulars	March 31, 2019	March 31, 2018
Current service cost	1,84,331	1,92,635
Interest cost on benefit obligation	2,17,179	1,69,431
Past Service cost – vested benefits	-	-
Expected return on plan assets	(1,55,850)	-
Net actuarial loss/(gain) recognized in the year	(5,62,292)	2,77,398
<b>Net benefit expense</b>	<b>(3,16,632)</b>	<b>6,39,464</b>

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

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	25,45,556	(27,14,734)
Fair value of plan assets	(23,66,511)	14,76,392
<b>Plan liability</b>	<b>1,79,045</b>	<b>12,38,342</b>



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**Notes to Financial Statements for the year ended March 31, 2019****Changes in the present value of the defined benefit obligation are as follows:**

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	<b>27,14,734</b>	<b>22,62,278</b>
Current service cost	1,84,331	1,92,635
Interest cost	2,17,179	1,69,431
Benefits paid	-	(2,88,779)
Actuarial gain/(losses) on obligation	(5,70,688)	3,79,169
<b>Closing defined benefit obligation</b>	<b>25,45,556</b>	<b>27,14,734</b>

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

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	<b>16,77,182</b>	<b>13,38,149</b>
Expected return	1,55,850	-
Contributions by employer	5,41,876	3,25,251
Benefits paid	-	(2,88,779)
Actuarial (losses)/gains	(8,396)	1,01,771
<b>Closing fair value of plan assets</b>	<b>23,66,511</b>	<b>14,76,392</b>

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

Particulars	March 31, 2019	March 31, 2018
Discount rate (%)	8%	8%
Expected rate of return on assets (%)	8%	8%
Salary escalation (%)	4%	4%
Attrition rate (%)	5%	5%

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

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

**35. Segment information**

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


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**Notes to Financial Statements for the year ended March 31, 2019**
**Information about the primary business segments**

Particulars	For the year ended 31 March, 2019			For the year ended 31 March, 2018		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	25,73,20,990	-	25,73,20,990	27,40,95,836	-	27,40,95,836
Inter-segment revenue	-	-	-	-	-	-
	<b>25,73,20,990</b>	<b>-</b>	<b>25,73,20,990</b>	<b>27,40,95,836</b>	<b>-</b>	<b>27,40,95,836</b>
Segment Result	46,54,964	(13,27,237)	33,27,727	1,86,08,553	(2,41,986)	1,83,66,567
Interest Expense	44,47,297	-	44,47,297	32,47,580	11,207	32,58,787
<b>Operating Income</b>	<b>2,07,667</b>	<b>(13,27,237)</b>	<b>11,19,570</b>	<b>1,53,60,973</b>	<b>2,53,193</b>	<b>1,51,07,780</b>
Other Income			2,37,08,536			2,29,68,553
<b>Profit before taxes</b>			<b>2,25,88,966</b>			<b>3,80,76,333</b>
Tax expenses			66,73,270			1,09,07,799
<b>Profit for the year</b>			<b>1,59,15,696</b>			<b>2,71,68,534</b>
Segment Assets	61,36,61,052	12,50,562	61,49,11,614	61,19,05,138	41,86,722	61,60,91,860
Unallocable Assets	19,80,798	3,043	19,83,841	12,13,492	13,010	12,00,482
<b>Total Assets</b>	<b>61,56,41,850</b>	<b>12,53,605</b>	<b>61,68,95,455</b>	<b>61,31,18,630</b>	<b>41,73,712</b>	<b>61,72,92,342</b>
Segment Liabilities	61,56,00,566	12,50,562	61,68,51,128	61,31,18,630	41,73,712	61,72,92,343
Unallocable liabilities	44,327	-	44,327	-	-	-
<b>Total Liabilities</b>	<b>61,56,44,893</b>	<b>12,50,562</b>	<b>61,68,95,455</b>	<b>61,31,18,631</b>	<b>41,73,712</b>	<b>61,72,92,343</b>
Other Information						
Capital expenditure-Tangible	25,71,485	-	25,71,485	25,71,485	-	25,71,485
Depreciation and amortisation	14,66,955	-	14,66,955	23,97,604	-	23,97,604
Unallocated amortisation	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	<b>14,66,955</b>	<b>-</b>	<b>14,66,955</b>	<b>23,97,604</b>	<b>-</b>	<b>23,97,604</b>

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

Nature of Relationship	Name of Related Party
Key Management Personnel (KMP):	Hari Narayan Rathi - <b>Managing Director</b> Chetan Rathi - <b>Executive Director</b>
Investment in LLP where KMP is a Designated Partner	BNR Foods Specialities LLP
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi -Wife of Hari Narayan Rathi Nisha Rathi - Wife of Chetan Rathi Anuradha Pasari - Daughter of Hari Narayan Rathi Govind Narayan Rathi - Brother of Hari Narayan Rathi

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**Notes to Financial Statements for the year ended March 31, 2019****b) Transactions with related parties:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Rent Paid:</b>	<b>12,24,000</b>	<b>12,24,000</b>
- Chanda Devi Rathi	9,84,000	9,84,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
<b>Remuneration Paid:</b>	<b>85,20,000</b>	<b>73,20,000</b>
- Hari Narayan Rathi	42,00,000	36,00,000
- Chetan Rathi	36,00,000	30,00,000
- Nisha Rathi	7,20,000	7,20,000
<b>Dividend Paid:</b>	<b>3,135,623</b>	<b>23,08,954</b>
- Hari Narayan Rathi	1,920,666	15,71,490
- Chetan Rathi	598,241	3,48,534
- Chanda Devi Rathi	374,887	2,62,406
- Nisha Rathi	241,829	1,26,524
<b>Service Rendered – Brokerage Received:</b>	<b>125,897</b>	<b>2,35,770</b>
- Hari Narayan Rathi	1,332	46,073
- Chetan Rathi	18,217	8,150
- Chanda Devi Rathi	12,718	18,294
- Nisha Rathi	10,071	20,043
- Govind Narayan Rathi	5,196	41,568
- Anuradha Pasari	6,219	4,937
- Hari Narayan Rathi HUF	72,144	96,707
<b>Unsecured Loans Taken:</b>	-	<b>1,50,00,000</b>
- Hari Narayan Rathi	-	1,25,00,000
- Chetan Rathi	-	25,00,000
<b>Unsecured Loans Repaid:</b>	-	<b>1,50,00,000</b>
- Hari Narayan Rathi	-	1,25,00,000
- Chetan Rathi	-	25,00,000
<b>Interest on Unsecured Loans:</b>	-	<b>4,19,178</b>
- Hari Narayan Rathi	-	3,22,603
- Chetan Rathi	-	96,575
<b>Investments made:</b>	-	<b>45,00,000</b>
- BNR Food Specialities LLP	-	45,00,000
<b>Investments disposed:</b>	<b>45,00,000</b>	-
- BNR Food Specialities LLP*	45,00,000	-

**\*Investment made by B.N. Rathi Industries Private Limited in BNR Foods Specialities LLP [30% stake] during FY 17-18 has been disposed off during the FY 18-19 for Rs. Nil.**

**c) Related party balances:**

<b>Rent Deposit:</b>	<b>16,00,000</b>	<b>16,00,000</b>
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000
<b>Investments made:</b>	-	<b>45,00,000</b>
- BNR Food Specialities LLP*	-	45,00,000

\* Disposal of investment in LLP and recognition of loss in the statement of profit and loss.

**Notes to Financial Statements for the year ended March 31, 2019****37. Leases:****Operating Lease****Assets taken on cancellable operating lease**

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cancellable	31,61,230	30,40,800
<b>Total</b>	<b>31,61,230</b>	<b>30,40,800</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after taxation as per statement of profit and loss (for basic EPS)	1,29,15,181	2,71,68,534
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>1,29,15,181</b>	<b>2,71,68,534</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>50,40,000</b>	<b>50,40,000</b>

**(iii) Earnings per share:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Basic (Rs.)	2.45	5.39
- Diluted (Rs.)	2.45	5.39

**39. Balance Confirmations**

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

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

The Group has no dues to Micro and Small Enterprises as at March 31, 2019 and March 31, 2018 in the financial statements based on information received and available with the group.

**Notes to Financial Statements for the year ended March 31, 2019**

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, 2019	March 31, 2018
Fair Value Hierarchy	1	1
<b>Financial Assets</b>		
Listed Equity Instruments	-	83,28,960
Investments in Mutual Funds	-	-
Fair Value Hierarchy	3	3
<b>Financial Assets</b>		
Other Financial Assets - Security Deposits	21,35,285	22,12,523
Other Investments	-	45,00,000
<b>Financial Liabilities</b>		
Borrowings	24,220	3,93,760


**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019**
**iii. Financial Instruments by category**

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

Particulars	31st March, 2019			31st March, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Equity investments	-	-	-	83,28,960	-	-
Other investments	-	-	7,00,000	-	-	52,00,000
Trade receivable	-	-	11,33,95,981	-	-	11,14,64,106
Loans	-	-	22,41,87,962	-	-	19,12,76,834
Cash and cash equivalents	-	-	6,94,85,255	-	-	16,04,43,912
Other bank balances	-	-	18,81,94,399	-	-	11,76,07,134
Others	-	21,35,285	-	-	22,12,523	51,25,703
<b>Total</b>	-	<b>21,35,285</b>	<b>59,59,63,597</b>	<b>83,28,960</b>	<b>22,12,523</b>	<b>59,11,17,689</b>
<b>Financial Liabilities</b>						
Borrowings	-	24,220	56,700	-	3,93,760	2,730
Trade Payables	-	-	39,20,39,754	-	-	39,90,30,902
<b>Total</b>	-	<b>24,220</b>	<b>39,20,40,321</b>	-	<b>3,93,760</b>	<b>39,90,33,632</b>

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

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

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

**Notes to Financial Statements for the year ended March 31, 2019****42. Financial Instruments Risk Management****i. Market Risk**

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

**a. Interest rate risk**

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

**b. Price Risk**

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

**c. Sensitivity analysis – Equity price risk**

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

Particulars	Impact on Profit or Loss [post tax]	
	March 31, 2019	March 31, 2018
Equity Index – Increase by 5%	-	3,12,336
Equity Index – Decrease by 5%	-	(3,12,336)

**ii. Credit Risk**

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

Ageing of receivables is as follows:

Particulars	March 31, 2019	March 31, 2018
Past due not impaired:		
0-30 Days	5,29,56,812	4,43,26,666
31-90 Days	3,57,523	2,05,84,781
91-180 Days	1,67,80,324	29,22,173
Greater than 180 Days	4,33,01,322	4,36,30,486
<b>Total</b>	<b>11,33,95,981</b>	<b>11,14,64,106</b>

**Notes to Financial Statements for the year ended March 31, 2019****iii. Liquidity Risk**

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b><u>March 31, 2019</u></b>				
Borrowings	24,787	-	-	<b>24,787</b>
Trade Payables	34,87,36,665	4,33,03,089	-	39,20,39,754
<b>Total</b>	<b>34,87,61,452</b>	<b>4,33,03,089</b>	<b>-</b>	<b>39,20,64,541</b>
<b><u>March 31, 2018</u></b>				
Borrowings	3,96,490	-	-	<b>3,96,490</b>
Trade Payables	29,63,63,822	10,26,67,080	-	39,90,30,902
<b>Total</b>	<b>29,67,60,312</b>	<b>10,26,67,080</b>	<b>-</b>	<b>39,94,27,392</b>



**B.N. RATHI SECURITIES LIMITED**

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****43. Capital Risk Management**

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

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

Particulars	31st March, 2019	31st March, 2018
Non-Current Borrowings	-	-
Current Borrowings	24,787	3,96,490
<b>Total Debt</b>	<b>24,787</b>	<b>3,96,490</b>
As a percentage of total capital	0.01%	0.19%
Equity	20,91,29,852	20,35,05,819
As a percentage of total capital	99.99%	99.81%
<b>Total Capital (Debt and Equity)</b>	<b>20,91,54,639</b>	<b>20,39,02,309</b>

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. Seshachalam**  
Partner  
Membership No. 004027

**Laxminiwas Sharma**  
Chairman  
DIN : 00010899

**Harinarayan Rathi**  
Managing Director  
DIN : 00010968

**Chetan Rathi**  
Executive Director-cum-CFO  
DIN : 00536441

Place : Hyderabad  
Date : 22.05.2019

**Sabitha Reddy**  
Company Secretary

**M.V. Rao**  
Compliance Officer



## **DIRECTOR'S REPORT**

To

The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 11<sup>th</sup> Annual report together with Audited accounts for the year ended 31<sup>st</sup> March, 2019.

### **1. FINANCIAL RESULTS / FINANCIAL SUMMARY / STATE OF AFFAIRS :**

	(Rs. In Lacs)	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Income	534.70	576.68
Total Expenditure	463.76	489.14
Profit/Loss before Tax	70.93	87.55
Provision for taxation	18.54	22.76
Profit after Tax	52.39	64.78
Balance carried to Balance Sheet	<b>52.39</b>	<b>64.78</b>

### **PERFORMANCE REVIEW:**

The Company has made an income of Rs 534.70 lakhs and a net profit of Rs. 52.39 lakhs in the current year against the income of Rs. 576.68 Lakhs and a net profit of Rs. 64.78 Lakhs in the previous year

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

### **DIVIDEND:**

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

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

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

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

There were changes in the nature of business and further no material changes and commitments affecting Financial position of the company between 31<sup>st</sup> March, 2019 and the date of Board's Report. (i.e. 20.05.2019)

### **BOARD MEETINGS:**

The Board of Directors met Six times during the year on 15.05.2018, 06.08.2018, 08.10.2018, 24.10.2018, 10.11.2018 and 11.02.2019 and the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

### **TRANSFER TO RESERVES:**

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

### **PUBLIC DEPOSITS:**

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



**CAPITAL OF THE COMPANY:**

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

**SUBSIDIARY COMPANY:**

Your Company does not have any subsidiary.

**INSURANCE:**

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

**DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**

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

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

The company does not have any subsidiary/joint venture or associate

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

**EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER**

There are no qualification(s), reservation(s) or adverse remark(s) or disclaimer(s) by the auditor in his report

**THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

The Board has appointed M/s Penmetsa & Associates, Chartered Accountant, Hyderabad as Internal Auditors in its meeting held 20.05.2019 for the year 2019-20. Deviations are reviewed periodically and



due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

**Disclosure on cost records :**

Maintenance of Cost Records is not applicable to the company

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

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

**A. Conservation of Energy**

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

**B. Technology Absorption**

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

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

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

**AUDITORS:**

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

**EXTRACT OF ANNUAL RETURN:**

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

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

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

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

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

**RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company does not has the net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the financial year, so section 135 of the



Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company and hence the Company need not adopt any Corporate Social Responsibility Policy.

**RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Your Directors draw attention of the members to Note 27 to the financial statement which sets out related party disclosures.

**INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**WITHDRAWAL OF MERGER:**

The Board meeting held on 10.01.2018, the company decided to amalgamate with B N Rathi Comtrade Private Limited. An application with the Hon'ble NCLT is made in this regard and said amalgamation had been withdrawn in the meeting held on 24.10.2018 due to unforeseen regulatory issues being faced by the Transferor Company M/s B N Rathi Comtrade Private Limited,

**COMPLIANCE WITH THE PROVISIONS RELATION TO THE CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENTS OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

No. of complaints received : Nil

No. of complaints disposed off : Nil

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

For and on behalf of the Board  
**B N Rathi Comtrade Private Limited**

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

Place : Hyderabad  
Date : 20.05.2019

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

U74900TG2008PTC060088

**MGT 9****Extract of Annual Return****As on the Financial Year 31.03.2019****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS :**

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

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

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Commodities Broking	-	92

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	B.N. Rathi Securities Limited 6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082	L65993TG1985PLC005838	Holding Company	100%	2(87)



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

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

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



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

**(ii) Shareholding of promoters**

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

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

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





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

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

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

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

**v. INDEBTEDNESS**

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

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



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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s17(2) Income-tax Act, 1961(c) Profits in lieu of salaryunder section 17(3) Income tax Act, 1961	7,20,000 p.a.	-	-	-	7,20,000 p.a.
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission- as % of profit Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	7,20,000/- p.a	-	-	-	7,20,000/- p.a
7.	Ceiling as per the Act	-	-	-	-	-

**B. Remuneration to other directors :**

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



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

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

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

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



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF B. N. RATHI COMTRADE PRIVATE LIMITED**

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

##### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of B. N. Rathi Comtrade Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

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

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

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

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

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

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

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



### **Auditor's Responsibility**

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

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

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

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

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

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 1**, a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
  - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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. Seshachalam**  
Partner  
Membership No.: 004027

Place : Hyderabad  
Date : 22.05.2019



### **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. Seshachalam**  
Partner  
Membership No.: 004027

Place : Hyderabad  
Date : 22.05.2019





**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, 2019 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, 2019, 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, 2019, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 22, 2019 expressed an unqualified opinion.

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

**T. Seshachalam**  
Partner  
Membership No.: 004027

Place : Hyderabad  
Date : 22.05.2019



### **Corporate Information:**

B. N. Rathi Comtrade Private Limited ("BNRCPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on July 10, 2008. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana - 500082.

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

#### **1. Significant Accounting Policies:**

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

##### **a) Basis of preparation:**

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Ind AS financial statements have been prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

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

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements.

These estimates are based upon management's best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

##### **c) Fair value measurement:**

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

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

##### **d) Property, plant and equipment:**

###### **i. Recognition and initial measurement:**

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises



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

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

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

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

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

**iii. De-recognition:**

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

**iv. Transition to Ind AS:**

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

**f) Impairment of assets:**

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

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

**g) Revenue Recognition:**

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



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

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

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

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

**h) Leases:**

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

**i) Financial Instruments:**

**a. Financial Assets**

***Initial recognition and measurement***

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

***Subsequent measurement***

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

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

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

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



- c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

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

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

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

**b. Financial Liabilities**

***Initial recognition and measurement***

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

***Subsequent measurement***

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

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

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

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

**c. Offsetting financial instruments**

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

**j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time



that is required to complete and prepare the asset for its intended use or sale. Qualifying asset are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

**k) Income Taxes:**

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

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

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

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

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

Contingent liability is disclosed for:

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

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



**m) Cash and cash equivalents:**

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

**n) Cash flow statement:**

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

**o) Earnings per share:**

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

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




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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Balance Sheet as at 31<sup>st</sup> March, 2019**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	93,174	1,45,650
(b) Financial Assets			
- Loans	4	65,00,000	55,00,000
(c) Deferred tax assets (Net)	5	3,46,723	3,76,949
<b>Total Non-Current Assets [A]</b>		<b>69,39,897</b>	<b>60,22,599</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
- Investments	6	-	-
- Loans	7	72,12,962	77,56,049
- Trade receivables	8	4,33,71,784	4,39,46,301
- Cash and cash equivalents	9	2,35,63,144	2,97,34,350
- Bank balances other than above	10	4,57,50,000	4,37,50,000
(b) Current tax asset [Net of provision]	11	-	1,15,447
(c) Other current assets	12	9,98,281	10,04,848
<b>Total Current Assets [B]</b>		<b>12,08,96,171</b>	<b>12,63,06,995</b>
<b>TOTAL ASSETS [A+B]</b>		<b>12,78,36,068</b>	<b>13,23,29,594</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	13	1,00,00,000	1,00,00,000
(b) Other Equity	14	3,48,23,755	2,95,84,558
<b>Total Equity [A]</b>		<b>4,48,23,755</b>	<b>3,95,84,558</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	15	567	2,730
- Trade payables	16	8,13,07,147	9,11,98,960
(b) Current tax liability (Net of advance tax)	17	44,327	-
(d) Other current liabilities	18	16,60,273	15,43,346
<b>Total Current Liabilities [B]</b>		<b>8,30,12,313</b>	<b>9,27,45,036</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B]</b>		<b>12,78,36,068</b>	<b>13,23,29,594</b>
Corporate information	1		
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Accompanying notes forming an integral part of the financial statements	1 to 34		

As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

For and on behalf of the Board of Directors of

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

Partner

Membership No. 004027

**Chetan Rathi**

Director

DIN : 00536441

**Nisha Rathi**

Executive Director

DIN : 02210852

Place : Hyderabad

Date : 22.05.2019


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

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

**Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2019**

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>I REVENUE</b>			
Revenue from Operations (Gross)	19	4,87,77,247	5,22,11,972
Other Income	20	46,93,043	54,56,118
<b>TOTAL REVENUE [I]</b>		<b>5,34,70,290</b>	<b>5,76,68,090</b>
<b>II EXPENSES</b>			
Employee benefit expenses	21	85,51,104	85,90,379
Finance costs	22	3,10,051	3,43,177
Depreciation and amortization expense	3	52,476	2,32,712
Other expenses	23	1,80,46,921	1,73,21,395
Share of brokerage	-	1,94,16,362	2,24,25,917
<b>TOTAL EXPENSES [II]</b>		<b>4,63,76,914</b>	<b>4,89,13,581</b>
<b>III Profit Before Tax (I-II)</b>		<b>70,93,376</b>	<b>87,54,509</b>
<b>IV Tax Expense:</b>			
- Current tax	24	18,23,953	22,39,773
- Deferred tax credit	24	30,226	36,437
<b>V Profit for the period</b>		<b>52,39,196</b>	<b>64,78,300</b>
<b>VI Earnings per equity share Rs. 10/- each fully paid</b>			
- Basic	29	5.24	6.48
- Diluted	29	5.24	.48
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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 COMTRADE PRIVATE LIMITED**

**T. Seshachalam**  
Partner  
Membership No. 004027

**Chetan Rathi**  
Director  
DIN : 00536441

**Nisha Rathi**  
Executive Director  
DIN : 02210852

Place : Hyderabad  
Date : 22.05.2019



# B.N. RATHI COMTRADE PRIVATE LIMITED

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		70,93,376	87,54,509
Adjustments:			
Depreciation		52,476	2,32,712
Profit on sale of Property, plant and equipment		-	(99,353)
Profit on sale of investments in Mutual Funds		(1,16,362)	(4,34,361)
Excess provision written back		(17,603)	(89,746)
Interest expense		19,942	23,930
Interest income		(44,65,772)	(45,52,196)
<b>Cash generated before working capital changes</b>		<b>25,66,057</b>	<b>38,35,496</b>
<b>Movements in working capital:</b>			
(Decrease)/Increase in trade payables		(98,91,813)	(1,53,96,217)
(Decrease)/Increase in other current liabilities		1,16,927	2,26,133
Decrease/(Increase) in trade receivables		5,74,517	(2,61,351)
Decrease/(Increase) in other current assets		6,567	3,88,913
Decrease/(Increase) in short term loans and advances		(4,56,913)	49,60,952
<b>Cash generated from operations</b>		<b>(70,84,658)</b>	<b>(62,46,075)</b>
Direct taxes paid (Net of refunds received)		(16,46,577)	(27,74,325)
<b>Net cash flow (used in)/from operating activities [A]</b>		<b>(87,31,235)</b>	<b>(90,20,399)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	1,02,200
Redemption of investments in mutual funds		1,16,362	54,63,267
Proceeds from sale of property, plant and equipment		-	1,00,000
Interest received		44,65,772	45,52,196
<b>Net cash flow (used in)/from investing activities [B]</b>		<b>45,82,134</b>	<b>1,02,17,663</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Investment)/redemption of bank deposits		(20,00,000)	-
Interest paid		(19,942)	(23,930)
<b>Net cash flow (used in)/from financing activities [C]</b>		<b>(20,19,942)</b>	<b>(23,930)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		<b>(61,69,043)</b>	<b>11,73,334</b>
<b>E. Cash and cash equivalents</b>			
at the beginning of the year	9	2,97,31,620	2,85,58,286
at the end of the year		<b>2,35,62,577</b>	<b>2,97,31,620</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks			
- In current accounts		35,57,026	77,26,597
- Deposits with original maturity of less than 3 months		2,00,00,000	2,20,00,000
Cash on hand		6,118	7,753
<b>Less: Bank overdraft</b>		<b>(567)</b>	<b>(2,730)</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,35,62,577</b>	<b>2,97,31,620</b>
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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 COMTRADE PRIVATE LIMITED**

**T. Seshachalam**

Partner

Membership No. 004027

**Chetan Rathi**

Director

DIN : 00536441

**Nisha Rathi**

Executive Director

DIN : 02210852

Place : Hyderabad

Date : 22.05.2019

**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, 2019****Statement of Changes in Equity for the year ended March 31, 2019****A. Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	1,00,00,000	1,00,00,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>

**B. Other Equity**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Movement in other equity is as follows:</i>		
<b>I. General Reserve</b>	<b>1,79,700</b>	<b>1,79,700</b>
<b>II. Retained Earnings</b>		
(i) Opening Balance	2,94,04,858	2,29,26,559
(ii) Profit for the year	52,39,196	64,78,300
	<b>3,46,44,055</b>	<b>2,94,04,858</b>
<b>Total</b>	<b>3,48,23,755</b>	<b>2,95,84,558</b>

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. Seshachalam**

Partner

Membership No. 004027

**Chetan Rathi**

Director

DIN : 00536441

**Nisha Rathi**

Executive Director

DIN : 02210852

Place : Hyderabad

Date : 22.05.2019


**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, 2019**
**Note 3: Property, plant and equipment**

Particulars	As at March 31, 2019	As at March 31, 2018
Furniture and Fittings	36,869	49,746
Motor Vehicles	17,183	23,183
Computers and Data Processing Units	14,922	40,504
Office Equipment	24,200	32,216
<b>Total</b>	<b>93,174</b>	<b>1,45,650</b>

**For the year 2018-19**

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
<b>I. Gross Carrying Amount As at April 01, 2018</b>	21,98,960	66,462	5,73,097	4,83,451	<b>33,21,970</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>21,98,960</b>	<b>66,462</b>	<b>5,73,097</b>	<b>4,83,451</b>	<b>33,21,970</b>
<b>II. Accumulated Amortization Upto April 01, 2018</b>	21,49,214	43,279	5,32,593	4,51,235	<b>31,76,320</b>
Depreciation expense for the period	12,877	6,000	25,582	8,017	<b>52,476</b>
Eliminated on disposal of assets	-	-	-	-	-
<b>Upto March 31, 2019</b>	<b>21,62,091</b>	<b>49,279</b>	<b>5,58,175</b>	<b>4,59,251</b>	<b>32,28,796</b>
<b>III. Net Carrying Amount [I-II]</b>					
<b>As at March 31, 2019</b>	<b>36,869</b>	<b>17,183</b>	<b>14,922</b>	<b>24,200</b>	<b>93,174</b>
<b>As at March 31, 2018</b>	<b>49,746</b>	<b>23,183</b>	<b>40,504</b>	<b>32,216</b>	<b>1,45,650</b>

**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, 2019****Note 4 : Non-current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Security deposits		
- Security Deposits with Stock Exchanges/Clearing Houses	65,00,000	55,00,000
<b>Total</b>	<b>65,00,000</b>	<b>55,00,000</b>

**Note 5 : Deferred Tax Asset (net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Depreciation	3,46,723	3,76,949
<b>Total</b>	<b>3,46,723</b>	<b>3,76,949</b>

**Note 6 : Current Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
Quoted investments in mutual funds		
(valued at fair value through profit and loss account)		
- Birla Sun Life Mutual Fund [Nil (31.03.2018: Nil)]	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 7 : Current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Security Deposits	19,37,962	14,41,049
Staff Advances	25,000	65,000
Margin with exchanges	52,50,000	62,50,000
<b>Total</b>	<b>72,12,962</b>	<b>77,56,049</b>

**Note 8 : Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months (Refer Note 30)	4,33,01,322	4,36,30,486
Others	70,462	3,15,815
<b>Total</b>	<b>4,33,71,784</b>	<b>4,39,46,301</b>


**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, 2019**
**Note 9 : Cash and Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Balance with Banks</i>		
- In current accounts	35,57,026	77,26,597
- Deposits with original maturity of less than 3 months	2,00,00,000	2,20,00,000
Cash on hand	6,118	7,753
<b>Total</b>	<b>2,35,63,144</b>	<b>2,97,34,350</b>

**Note 10 : Bank balances other than above**

Particulars	As at March 31, 2019	As at March 31, 2018
On deposit accounts		
- Remaining maturity for more than 12 months	-	-
- Remaining maturity for less than 12 months	4,57,50,000	4,37,50,000
<b>Total</b>	<b>4,57,50,000</b>	<b>4,37,50,000</b>

**Note 11 : Current tax asset (Net of provision)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	-	23,55,220
Current Tax Liabilities	-	22,39,773
<b>Total</b>	<b>-</b>	<b>1,15,447</b>

**Note 12 : Other Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
- Prepaid Expenses	1,82,947	1,99,459
- Balance with government authorities	51,276	83,538
Interest accrued on deposits with banks and others	7,64,058	7,21,851
<b>Total</b>	<b>9,98,281</b>	<b>10,04,848</b>


**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, 2019**
**Note 13 : Share Capital**

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<b>Authorised:</b>				
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2019</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	<b>1,00,00,000</b>	-	-	<b>1,00,00,000</b>
<b>Year ended March 31, 2018</b>				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	<b>1,00,00,000</b>	-	-	<b>1,00,00,000</b>

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

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

Name of the Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rath Securities Limited	10,00,000	100%	10,00,000	100%

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

Name of the Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rath Securities Limited	10,00,000	100%	10,00,000	100%

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



**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, 2019****Note 14 : Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	1,79,700	1,79,700
Retained Earning	3,46,44,055	2,94,04,858
<b>Total</b>	<b>3,48,23,755</b>	<b>2,95,84,558</b>

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

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

This represents appropriation of profit by the company.

**(b) Retained Earnings**

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

**Note 15 : Current Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Overdraft - Secured	567	2,730
<b>Total</b>	<b>567</b>	<b>2,730</b>

**Note 16 : Trade Payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Creditors - Clients (Refer Not 30)	3,52,18,299	4,45,97,145
Creditors - NSEL	4,33,03,089	4,36,32,253
Sharing of Brokerage Payable	17,18,831	17,08,255
Creditors - Suppliers and other services	10,66,928	12,61,307
<b>Total</b>	<b>8,13,07,147</b>	<b>9,11,98,960</b>

**Note 17 : Current Tax Liability (Net of advance tax)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	17,79,627	-
Current Tax Liabilities	18,23,953	-
<b>Total</b>	<b>44,327</b>	<b>-</b>

**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, 2019****Note 18 : Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	11,35,490	10,81,301
Client margin deposits	4,91,994	3,96,216
Other deposits - Sub brokers	32,789	65,829
Other payables	-	-
<b>Total</b>	<b>16,60,273</b>	<b>15,43,346</b>

**Note 19 : Revenue from Operations (Gross)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income from broking operations	3,44,34,935	3,75,76,159
Other operating revenue	1,43,42,312	1,46,35,813
<b>Total</b>	<b>4,87,77,247</b>	<b>5,22,11,972</b>

**Note 20 : Other Income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on deposits with bank	44,65,772	45,52,196
Profit on sale of Property, plant and equipment	-	99,353
Profit on sale of investments in Mutual Funds	1,16,362	4,34,361
Miscellaneous income	70,355	2,80,462
Bad Debt Recovered	22,951	-
Excess provision written back	17,603	89,746
<b>Total</b>	<b>46,93,043</b>	<b>54,56,118</b>

**Note 21 : Employee Benefit Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Bonus	85,51,104	85,90,379
<b>Total</b>	<b>85,51,104</b>	<b>85,90,379</b>

**Note 22 : Finance Costs**

Particulars	As at March 31, 2019	As at March 31, 2018
Interest expense on :		
- Working Capital	19,942	23,930
- Delayed remittance of Income tax	-	23,649
Other borrowing costs	2,90,109	2,95,598
<b>Total</b>	<b>3,10,051</b>	<b>3,43,177</b>

**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, 2019****Note 23 : Other Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Operating expenses:</b>		
Transaction charges	1,24,26,577	1,25,65,627
Other operating expenses	16,17,846	10,80,000
<b>Others:</b>		
Power and Fuel	4,47,373	4,37,948
Rent [ <b>Refer Note 27 and 28</b> ]	4,47,000	4,38,000
Repairs and maintenance	3,39,637	2,97,073
Insurance	11,133	19,770
Rates and taxes	1,41,966	2,11,753
Communication	10,43,363	10,25,971
Travelling and conveyance	90,152	48,330
Business promotion	47,048	50,138
Donations	2,46,000	2,00,000
Legal and professional	5,03,400	2,72,600
Auditor's remuneration:		
- Statutory audit	1,15,000	85,000
- Tax audit	-	15,000
- Certification	-	-
Balances written off	-	1,12,439
Other expenses	5,70,426	4,61,746
<b>Total</b>	<b>1,80,46,921</b>	<b>1,73,21,395</b>

**Notes to Financial Statements for the year ended March 31, 2019****Note 24 : Income Tax Expense**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) Major components of income tax expense:</b>		
<b>(i) Current Income Tax</b>		
- Current income tax charge	18,23,953	23,39,773
- Adjustments in respect of current income tax of previous year	-	-
	<b>18,23,953</b>	<b>23,39,773</b>
<b>(ii) Deferred Tax</b>		
- Relating to origination/reversal of temporary differences	30,226	36,437
	<b>30,226</b>	<b>36,437</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>18,54,179</b>	<b>22,76,210</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Profit/(Loss) before tax from continuing operations	70,93,376	87,54,509
Indian tax rate	26.00%	25.75%
<b>Tax at the Indian tax rate</b>	<b>18,44,278</b>	<b>22,54,286</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes	77,604	1,31,461
Tax exempt income	-	-
Income taxed at special rates	18,152	71,575
Deferred tax relating to origination/reversal of temporary differences	30,226	36,437
Others	(1,16,081)	(2,17,549)
<b>Total Income Tax Expense</b>	<b>18,54,179</b>	<b>22,76,210</b>

**25. Contingent liabilities :**

## i) Bank Guarantees :

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantees	2,65,00,000	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, 2019****27. Related party disclosures****a) Names of the related parties and nature of relationship (as per Ind AS 24)**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
Holding Company	B.N. Rath Securities Limited
Key Management Personnel (KMP):	Nisha Rathi - <b>Executive Director</b>
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi - Mother-in-law of Nisha Rathi Chetan Rathi - Husband of Nisha Rathi

**b) Transactions with related parties:**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Remuneration Paid:</b>	<b>7,20,000</b>	<b>7,20,000</b>
- Nisha Rathi	7,20,000	7,20,000
<b>Rent Paid:</b>	<b>2,40,000</b>	<b>2,40,000</b>
- Chanda Devi Rathi	2,40,000	2,40,000
<b>Sharing of expenses</b>	<b>82,00,350</b>	<b>79,22,341</b>
- B. N. Rath Securities Limited	82,00,350	79,22,341
<b>Sharing of expenses paid</b>	<b>82,00,350</b>	<b>79,22,341</b>
- B. N. Rath Securities Limited	82,00,350	79,22,341

**c) Related Party Balances :**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Rent Deposit receivable	5,00,000	5,00,000
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;

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Cancellable	4,47,000	4,38,000
<b>Total</b>	<b>4,47,000</b>	<b>4,38,000</b>

**Notes to Financial Statements for the year ended March 31, 2019****29. Earnings per Share (EPS):****(i) Reconciliation of earnings used in calculating earnings per share:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after taxation as per statement of profit and loss (for basic EPS)	52,39,196	64,78,300
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>52,39,196</b>	<b>64,78,300</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of weighted average equity shares considered for calculating of basic EPS	10,00,000	10,00,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>10,00,000</b>	<b>10,00,000</b>

**(iii) Earnings per share:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Basic (Rs.)	5.24	6.48
- Diluted (Rs.)	5.24	6.48

**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, 2019 and March 31, 2018 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, 2019**
**ii. Financial assets and financial liabilities measured at fair value**

Particulars	March 31, 2019	March 31, 2018
Fair Value Hierarchy	1	1
<b>Financial Assets</b>		
Investments in Mutual Funds	-	-

**iii. Financial Instruments by category**

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

Particulars	31st March, 2019			31st March, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Other investments	-	-	-	-	-	-
Trade receivable	-	-	4,33,71,784	-	-	4,39,46,301
Loans	-	-	1,37,12,962	-	-	1,32,56,049
Cash and cash equivalents	-	-	2,35,63,144	-	-	2,97,34,350
Other bank balances	-	-	4,57,50,000	-	-	4,37,50,000
<b>Total</b>	-	-	<b>12,63,97,890</b>	-	-	<b>13,06,86,700</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	567	-	-	2,730
Trade Payables	-	-	8,13,07,147	-	-	9,11,98,960
<b>Total</b>	-	-	<b>8,13,07,714</b>	-	-	<b>9,12,01,690</b>

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments in 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, 2019****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, 2019	March 31, 2018
Past due not impaired:		
0-30 Days	70,462	3,15,815
31-60 Days	-	-
61-90 Days	-	-
91-180 Days	-	-
Greater than 180 Days	4,33,01,322	4,36,30,486
<b>Total</b>	<b>4,33,71,784</b>	<b>4,39,46,301</b>

**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.



**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, 2019**

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b><u>March 31, 2019</u></b>				
Borrowings	567	-	-	567
Trade Payables	3,80,04,058	4,33,03,089	-	8,13,07,147
<b>Total</b>	<b>3,80,04,625</b>	<b>4,33,03,089</b>	<b>-</b>	<b>8,13,07,714</b>
<b><u>March 31, 2018</u></b>				
Borrowings	2,730	-	-	2,730
Trade Payables	4,75,66,707	4,36,32,253	-	9,11,98,960
<b>Total</b>	<b>4,75,69,437</b>	<b>4,36,32,253</b>	<b>-</b>	<b>9,12,01,690</b>

**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, 2019	31st March, 2018
Current Borrowings (Refer Note 15)	567	2,370
<b>Total Debt</b>	<b>567</b>	<b>2,730</b>
As a percentage of total capital	0.00%	0.01%
Equity (Refer Note 13 and 14)	4,48,23,755	3,95,84,558
As a percentage of total capital	100.00%	99.99%
<b>Total Capital (Debt and Equity)</b>	<b>4,48,24,322</b>	<b>3,95,87,288</b>

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. Seshachalam**  
Partner  
Membership No. 004027

**Chetan Rathi**  
Director  
DIN : 00536441

**Nisha Rathi**  
Executive Director  
DIN : 02210852

Place : Hyderabad  
Date : 22.05.2019



## **DIRECTOR'S REPORT**

To

The Members of B N Rathi Industries Private Limited,

We have pleasure in presenting the 7<sup>th</sup> Annual report together with Audited accounts for the year ended 31<sup>st</sup> March, 2019.

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

(Rs. In Lakhs)

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Income	1.08	2.33
Total Expenditure	45.57	2.53
Profit/Loss before Tax	(44.48)	(0.20)
Provision for taxation	0.13	0.25
Profit after Tax	(44.62)	(0.45)
Balance carried to Balance Sheet	-	-

### **PERFORMANCE REVIEW:**

The Company has made a loss of Rs. 44.62 lakhs after tax.

### **DIVIDEND:**

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

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

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

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

There were changes in the nature of business and further no material changes and commitments affecting Financial position of the company between 31st March and the date of Board's Report. ( i.e. 20.05.2019)

### **BOARD MEETINGS:**

The Board of Directors met 5 times during the year on 15.05.2018, 20.07.2018, 06.08.2018, 10.11.2018 and 11.02.2019 and the maximum gap between any two meetings was less than four months, as stipulated under Provisions of Companies Act, 2013.

### **TRANSFER TO RESERVES:**

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

### **PUBLIC DEPOSITS:**

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

### **CAPITAL OF THE COMPANY:**

Authorized Share capital of the Company stands at 1,50,00,000/- (Rupees Once Crore and Fifty Lakhs Only) divided into 15,00,000 equity shares of Rs. 10/- each and paid up share capital of the



company stands at Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided in to 5,00,000 equity shares of Rs.10/- each.

**Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year**

Your Company does not have any subsidiary or joint ventures or associate.

**INSURANCE:**

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

**DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO HAVE WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

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

**EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER**

There are no qualification(s), reservation(s) or adverse remark(s) or disclaimer(s) by the auditor in his report

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

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

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

**A. Conservation of Energy**

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

- B. Technology Absorption:** All the Factors mentioned in Rule 8 (3)(b) Technology absorption are not applicable to the Company.

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

Foreign Exchange Earnings : NIL  
Foreign Exchange Outgo : NIL

**AUDITORS:**

M/s. Seshachalam & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for re-appointment. Directors propose the appointment of M/s. Seshachalam & Co., Chartered Accountants, as statutory auditors to hold office for the term of 5 years from the conclusion of ensuing annual general meeting till the conclusion of the Twelveth Annual General Meeting of the company.

**EXTRACT OF ANNUAL RETURN:**

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

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

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

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

The Company has not taken any loan, guarantee, but made an investment in BNR Food Specialities LLP as specified under section 186 of the Companies Act, 2013 to amount of Rs.45,00,000/- .

**RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

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

**RELATED PARTY TRANSACTIONS:**

There are no related party transactions during the financial year 2018-19.

**INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.



The Board has appointed M/s Penmetsa & Associates, Chartered Accountant, Hyderabad as Internal Auditors in its meeting held 20.05.2019 for the year 2019-20. Deviations are reviewed periodically and due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

**DISCLOSURE ON COST RECORDS :**

Maintenance of Cost Records is not applicable to the company

**COMPLIANCE WITH THE PROVISIONS RELATION TO THE CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENTS OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

No. of complaints received : Nil

No. of complaints disposed off : Nil

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

For and on behalf of the Board  
**B N Rathi Industries Private Limited**

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

Place : Hyderabad  
Date : 20.05.2019



**MGT 9**

**Extract of Annual Return**

**As on the Financial Year 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS :**

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

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

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Construction	-	100

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	B.N. Rath Securities Limited 6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana-500082	L65993TG1985PLC005838	Holding Company	100%	2(87)



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

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

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



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

**(ii) Shareholding of promoters**

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

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

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





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

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

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

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

**(vi) INDEBTEDNESS**

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

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



**(vii) Remuneration of Directors and Key Managerial Personnel**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission- as % of profit Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
7.	Ceiling as per the Act	-	-	-	-	-

**B. Remuneration to other directors :**

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



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

**(viii) Penalties / Punishment / Compounding of Offences : Not Applicable**

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



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED** **Report on the Audit of Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of B. N. Rathi Industries Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

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

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

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

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



### **Auditor's Responsibility**

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

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

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

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

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

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 1**, a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
- (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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

Place : Hyderabad  
Date : 22.05.2019

**T. Seshachalam**  
Partner  
Membership No.004027



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

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

- (i) According to the information and explanations given to us, the Company has no property, plant and equipment. Accordingly, the provisions of clause 3(i) (a), (b) and(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) of the Companies (Auditors' Report) Order, 2015 is not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it. Provisions of service tax , provident fund, employees' state insurance, wealth tax, customs duty, excise duty and cess are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. Provisions of service tax, provident fund, employees' state insurance, wealth tax, customs duty, excise duty and cess are not applicable to the Company.  
(c) There are no dues of income tax and other material statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has no outstanding dues during the year from any financial institution; bank or debenture holders or government and accordingly the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.



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

**For SESHACHALAM & CO**

Chartered Accountants

Firm registration number : 003714S

**T. Seshachalam**

Partner

Membership No.004027

Place : Hyderabad

Date : 22.05.2019





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

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

**TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED**

We have audited the internal financial controls over financial reporting of B. N. Rathi Industries Private Limited ("the Company") as of March 31, 2019 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, 2019, 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, 2019, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 22, 2019 expressed an unqualified opinion.

**For SESHACHALAM & CO**

Chartered Accountants

Firm registration number : 003714S

**T. Seshachalam**

Partner

Membership No.004027

Place : Hyderabad

Date : 22.05.2019



**1. Corporate Information:**

B.N. Rathi Industries Private Limited ("BNRIPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on August 13, 2012. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

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

**2. Significant Accounting Policies:**

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

**a) Basis of preparation:**

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Ind AS financial statements have been prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

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

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements.

These estimates are based upon management's best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

**c) Fair value measurement:**

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

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

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



**d) Impairment of assets:**

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

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

**e) Revenue Recognition:**

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

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

Revenue on sale of property is recognized based on percentage completion method and upon transferring significant risks and rewards of ownership associated with the real estate property.

**f) Leases:**

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

**g) Financial Instruments:**

**a. Financial Assets**

***Initial recognition and measurement***

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

***Subsequent measurement***

- a. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).



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

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

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

## **b. Financial Liabilities**

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

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

### ***Subsequent measurement***

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

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

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

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

## **c. Offsetting financial instruments**

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

## **h) Income Taxes:**

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



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

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

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

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

Contingent liability is disclosed for:

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

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

**j) Cash and cash equivalents:**

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

**k) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals



of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

**I) Earnings per share:**

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

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


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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Balance Sheet as at 31<sup>st</sup> March, 2019**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Financial Assets			
- Investments	3	-	45,00,000
<b>Total Non-Current Assets [A]</b>		<b>-</b>	<b>45,00,000</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
- Cash and cash equivalents	4	4,17,297	9,05,600
- Loans	5	5,00,000	-
(b) Current Tax Asset [Net of provision]	6	3,043	-
<b>Total Current Assets [B]</b>		<b>9,20,340</b>	<b>9,05,600</b>
<b>TOTAL ASSETS [A+B]</b>		<b>9,20,340</b>	<b>54,05,600</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	7	50,00,000	50,00,000
(b) Other Equity	8	(40,79,660)	3,82,590
<b>Total Equity [A]</b>		<b>9,20,340</b>	<b>53,82,590</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
- Trade payables	9	-	10,000
(b) Current Tax Liability [Net of advance tax]	10	-	13,010
<b>Total Current Liabilities [C]</b>		<b>-</b>	<b>23,010</b>
<b>TOTAL EQUITY AND LIABILITIES [A+B+C]</b>		<b>9,20,340</b>	<b>54,05,600</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 23		

As per our Report of even date.

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

For and on behalf of the Board of Directors of  
**B. N. RATHI INDUSTRIES PRIVATE LIMITED**

**T. Seshachalam**  
Partner  
Membership No. 004027

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

Place : Hyderabad  
Date : 22.05.2019



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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2019**

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>I REVENUE</b>			
Revenue from Operations (Gross)		-	-
Other Income	11	1,08,168	2,32,851
<b>TOTAL REVENUE [I]</b>		<b>1,08,168</b>	<b>2,32,851</b>
<b>II EXPENSES</b>			
Finance costs	12	-	11,207
Other Expenses	13	45,57,153	2,41,986
<b>TOTAL EXPENSES [II]</b>		<b>45,57,153</b>	<b>2,53,193</b>
<b>III Profit Before Tax [I-II]</b>		<b>(44,48,985)</b>	<b>(20,342)</b>
<b>IV Tax Expense</b>			
- Current tax	14	13,265	25,387
<b>V Profit for the year</b>		<b>(44,62,250)</b>	<b>(45,729)</b>
<b>VI Other Comprehensive Income</b>		-	-
<b>VII Earnings per Equity Share</b>			
<b>Rs. 10/- each fully paid</b>			
- Basic	18	(8.92)	(0.09)
- Diluted	18	(8.92)	(0.09)
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 23		

As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

For and on behalf of the Board of Directors of  
**B. N. RATHI INDUSTRIES PRIVATE LIMITED****T. Seshachalam**

Partner

Membership No. 004027

**Chetan Rathi**

Director

DIN : 00536441

**Chanda Devi Rathi**

Director

DIN : 05278997

Place : Hyderabad

Date : 22.05.2019


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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019**

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) before tax		(44,48,985)	(20,342)
Adjustments:			
Excess provision for income tax now reversed		(25,168)	-
Interest Income		-	(1,23,767)
<b>Operating profit before changes in assets and liabilities</b>		<b>(44,74,153)</b>	<b>(1,44,109)</b>
<b>Changes in assets and liabilities</b>			
(Decrease)/increase in trade payables		(10,000)	-
(Decrease)/increase in other current liabilities		-	-
(Decrease)/increase in short term provisions		13,010	-
(Increase)/decrease in loans and advances		-	-
<b>Cash generated from operations</b>		<b>(44,71,143)</b>	<b>(1,44,109)</b>
Direct taxes paid (Net of refunds received)		17,160	60,524
<b>Net cash flow (used in)/from operating activities [A]</b>		<b>(44,88,303)</b>	<b>(2,04,633)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in mutual funds		-	30,16,774
Redemption / (Purchase) of Investments		45,00,000	(45,00,000)
Interest Income		-	1,38,503
<b>Net cash flow (used in)/from investing activities [B]</b>		<b>45,00,000</b>	<b>(13,44,723)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advancement of loan		(5,00,000)	-
Redemption / (Investment) in bank deposits		-	20,00,000
<b>Net cash flow (used in)/from financing activities [C]</b>		<b>(5,00,000)</b>	<b>20,00,000</b>
<b>D. Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>		<b>(4,88,303)</b>	<b>4,50,644</b>
<b>E. Cash and cash equivalents</b>	4		
at the beginning of the year		9,05,600	4,54,956
at the end of the year		<b>4,17,297</b>	<b>9,05,600</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks			
- In current accounts		4,17,227	9,05,529
- Deposits with original maturity of less than 3 months		-	-
Cash on hand		70	71
Less: Bank overdraft		-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>4,17,297</b>	<b>9,05,600</b>
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 23		

As per our Report of even date.

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

**T. Seshachalam**  
Partner  
Membership No. 004027  
Place : Hyderabad  
Date : 22.05.2019

For and on behalf of the Board of Directors of  
**B. N. RATHI INDUSTRIES PRIVATE LIMITED**

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Statement of Changes in Equity for the year ended March 31, 2019****A. Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	50,00,000	50,00,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>50,00,000</b>	<b>50,00,000</b>

**B. Other Equity**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>B. Other Equity</b>		
<b>I. Retained Earnings</b>		
(i) Opening Balance	3,82,590	4,28,320
(ii) Profit for the year	(44,62,250)	(45,729)
<b>Total</b>	<b>(40,79,660)</b>	<b>3,82,590</b>

As per our Report of even date.

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

For and on behalf of the Board of Directors of  
**B. N. RATHI INDUSTRIES PRIVATE LIMITED**

**T. Seshachalam**  
Partner  
Membership No. 004027

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

Place : Hyderabad  
Date : 22.05.2019

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

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 3 : Non-current Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unquoted Investments</i>		
Other Investments		
- BNR Food Specialities LLP	-	45,00,000
<b>Total</b>	<b>-</b>	<b>45,00,000</b>

Aggregate amount of quoted investments and market value thereof

- -

Aggregate amount of unquoted investments

- 45,00,000

Aggregate amount of impairment in the value of investments

- -

Investments carried at cost

- -

Investments carried at amortized cost

- -

Investments carried at fair value through profit and loss

- 45,00,000

**Note 4 : Cash and Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Balance with banks</i>		
- Incurrent Accounts	4,17,227	9,05,529
- Deposits with original maturity of less than 3 months	-	-
Cash on hand	70	71
<b>Total</b>	<b>4,17,297</b>	<b>9,05,600</b>

**Note 5 : Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loan given to BNR Foods Specialities LLP	5,00,000	-
<b>Total</b>	<b>5,00,000</b>	<b>-</b>

**Note 6 : Current Tax Asset (Net of provision)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	16,308	-
Current Tax Liabilities	13,265	-
<b>Total</b>	<b>3,043</b>	<b>-</b>

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

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****Note 7 : Share Capital**

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
<b>Authorised:</b>				
Equity shares of Rs.10 each	15,00,000	1,50,00,000	15,00,000	1,50,00,000
	<b>15,00,000</b>	<b>1,50,00,000</b>	<b>15,00,000</b>	<b>1,50,00,000</b>
<b>Issued, subscribed and fully paid:</b>				
Equity shares of Rs.10 each	5,00,000	50,00,000	5,00,000	50,00,000
<b>Total</b>	<b>5,00,000</b>	<b>50,00,000</b>	<b>5,00,000</b>	<b>50,00,000</b>

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
<b>Equity shares</b>				
<b>Year ended March 31, 2019</b>				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	<b>50,00,000</b>	-	-	<b>50,00,000</b>
<b>Year ended March 31, 2018</b>				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	<b>50,00,000</b>	-	-	<b>50,00,000</b>

**(b) Shares held by Holding Company**

Name of the Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
B.N. Rath Securities Limited	5,00,000	100.00%	5,00,000	100.00%

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

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

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

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****(d) Details of shares held by each shareholder holding more than 5% shares\***

Name of the Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares held	Percentage of holding	No. of shares	Percentage of holding
B.N. Rath Securities Limited	5,00,000	100%	5,00,000	100%

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

**Note 8 : Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	(40,79,660)	3,82,590
<b>Total</b>	<b>(40,79,660)</b>	<b>3,82,590</b>

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

**Nature and purpose of Other Equity:****(a) Retained Earnings**

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

**Note 9 : Trade Payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (Refer Note 19 & 20)	-	10,000
<b>Total</b>	<b>-</b>	<b>10,000</b>

**Note 10 : Current Taxes Liability (Net of advance tax)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	-	12,377
Current Tax Liabilities	-	25,386
<b>Total</b>	<b>-</b>	<b>13,010</b>

**Note 11 : Other Income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on fixed deposit with bank	-	1,23,767
Commission Income	83,000	-
Excess provision written back	25,168	2,621
Profit on sale of investments in Mutual Funds	-	1,06,463
<b>Total</b>	<b>1,08,168</b>	<b>2,32,851</b>


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

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(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019**
**Note 12 : Finance Costs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on delayed remittance of income tax	-	5,024
Interest on Overdraft	-	6,183
<b>Total</b>	<b>-</b>	<b>11,207</b>

**Note 13 : Other Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent [Refer Note 16 & 17]	24,000	24,000
Communication	10,553	10,286
Rates and taxes	10,000	18,100
Advertisement Expenses	7,500	7,500
Loss on sale of investments in LLP	45,00,000	-
Legal and professional	5,100	1,72,100
Audit fee	-	10,000
- Statutory audit	-	-
<b>Total</b>	<b>45,57,153</b>	<b>2,41,986</b>

**Note 14 : Income Tax Expense**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) Major components of income tax expense:</b>		
<b>(i) Current Income Tax</b>		
- Current income tax charge	13,265	25,387
- Adjustments in respect of current income tax of previous year	-	-
	<b>13,265</b>	<b>25,387</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>13,265</b>	<b>25,387</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Profit/(Loss) before tax from continuing operations	(44,48,985)	(20,342)
Indian tax rate	26.00%	25.75%
<b>Tax at the Indian tax rate</b>	<b>(11,56,735)</b>	<b>(5,238)</b>
<b>Effect of:</b>		
Non-Deductible expenses for tax purposes	11,70,000	5,457
Tax exempt income	-	-
Income taxed at special rates	-	-
Others	-	25,169
<b>Total Income Tax Expense</b>	<b>13,265</b>	<b>25,387</b>

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****15. Segment Information**

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

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

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
Holding Company	B.N. Rathi Securities Limited
Investment in LLP	BNR Food Specialities LLP
Key Management Personnel (KMP):	Chanda Devi Rathi
Relatives of Key Management Personnel (KMP):	Hari Narayan Rathi - Husband of Chanda Devi Rathi Chetan Rathi - Son of Chanda Devi Rathi

**b) Transactions with related parties:**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Rent Paid:</b>	<b>24,000</b>	<b>24,000</b>
- Chanda Devi Rathi	24,000	24,000
<b>Investments Made</b>	<b>-</b>	<b>45,00,000</b>
- BNR Food Specialities LLP	-	45,00,000
<b>Investments Disposed</b>	<b>45,00,000</b>	<b>-</b>
- BNR Food Specialities LLP	45,00,000	-

**c) Related Party Balances :**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Investments Made</b>	<b>-</b>	<b>45,00,000</b>
- BNR Food Specialities LLP*	-*	45,00,000

\* Disposal of investment in LLP and recognition of loss in the statement of profit and loss.



**Notes to Financial Statements for the year ended March 31, 2019****17. 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, 2019	For the year ended March 31, 2018
Cancellable	24,000	24,000
<b>Total</b>	<b>24,000</b>	<b>24,000</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after taxation as per statement of profit and loss (for basic EPS)	(44,62,250)	(45,729)
<b>Less:</b> Effect of dilutive potential ordinary shares	-	-
<b>Net Profit for dilutive earnings per share</b>	<b>(44,62,250)</b>	<b>(45,729)</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of weighted average equity shares considered for calculating of basic EPS	5,00,000	5,00,000
<b>Add:</b> Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculating of diluted EPS</b>	<b>5,00,000</b>	<b>5,00,000</b>

**(iii) Earnings per share:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Basic (Rs.)	(8.92)	(0.09)
- Diluted (Rs.)	(8.92)	(0.09)

**19. 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.



**Notes to Financial Statements for the year ended March 31, 2019**

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

The Company has no dues to Micro and Small Enterprises as at March 31, 2019 and March 31, 2018 in the financial statements based on information received and available with the company.

**21. 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, 2019	March 31, 2018
Fair Value Hierarchy <b>Financial Assets</b>		
Investments in Mutual funds	1	1
	-	-
Fair Value Hierarchy <b>Financial Assets</b>	3	3
Other Investments	-	45,00,000

**iii. Financial Instruments by category**

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

Particulars	31st March, 2019			31st March, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Other investments	-	-	-	-	-	45,00,000
Cash and cash equivalents	-	-	4,17,297	-	-	9,05,600
Other bank balances	-	-	-	-	-	-
Others						
<b>Total</b>	-	-	<b>4,17,297</b>	-	-	<b>54,05,600</b>
<b>Financial Liabilities</b>						
Trade Payables	-	-	10,000	-	-	10,000
<b>Total</b>	-	-	<b>10,000</b>	-	-	<b>10,000</b>

**Notes to Financial Statements for the year ended March 31, 2019**

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.

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

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

**a. Interest rate risk**

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

**ii. Liquidity Risk**

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<b><u>March 31, 2019</u></b>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
<b>Total</b>	-	-	-	-
<b><u>March 31, 2018</u></b>				
Borrowings	-	-	-	-
Trade Payables	10,000	-	-	10,000
<b>Total</b>	<b>10,000</b>	-	-	<b>10,000</b>

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

**Notes to Financial Statements for the year ended March 31, 2019****23. Capital Risk Management**

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

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

Particulars	31st March, 2019	31st March, 2018
Borrowings	-	-
<b>Total Debt</b>	<b>-</b>	<b>-</b>
As a percentage of total capital	0.00%	0.00%
Equity (Refer Note 9 and 10)	9,20,340	53,82,590
As a percentage of total capital	100.00%	100.00%
<b>Total Capital (Debt and Equity)</b>	<b>9,20,340</b>	<b>53,82,590</b>

As per our Report of even date.

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

For and on behalf of the Board of Directors of  
**B. N. RATHI INDUSTRIES PRIVATE LIMITED**

**T. Seshachalam**  
Partner  
Membership No. 004027

**Chetan Rathi**  
Director  
DIN : 00536441

**Chanda Devi Rathi**  
Director  
DIN : 05278997

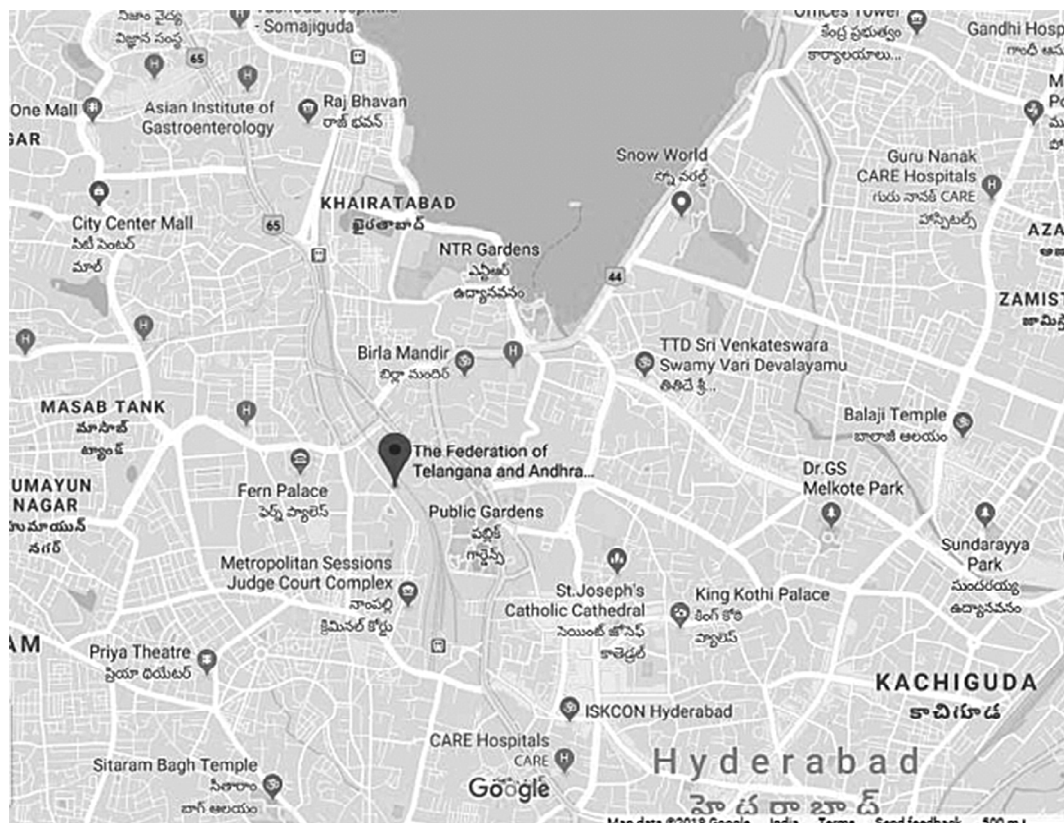
Place : Hyderabad  
Date : 22.05.2019

## Route map of the venue of the meeting.

### ROUTE MAP TO AGM

#### VENUE

FTCCI Surana Hall,  
The Federation of Telangana and Andhra Pradesh  
Chambers of Commerce and Industry, (FTAPCCI)  
Federation House, FAPCCI Marg, Red Hills, Hyderabad-500004





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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, to be held on Saturday, 10<sup>th</sup> day of August, 2019 at 10.00 A.M. at FTCCI Surana Hall, Federation House, FTAPCCI Marg, Red Hills, Hyderabad - 500 004, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. Approval of financial statements for the year ended 31.03.2019.
2. Declaration of Dividend for the financial year 31.03.2019.
3. Appointment of Mr. Hari Narayan Rathis as Director who retires by rotation.
4. Appointment of statutory auditors and fixation of their remuneration.
5. Reappointment of Mrs. Shanti Sree Bolleni as Independent Director w.e.f. 1<sup>st</sup> April, 2020

Signed this ..... day of ..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

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

**B.N. RATHI SECURITIES LIMITED**

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



### **ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence at the 33<sup>rd</sup> Annual General Meeting of the members of the company to be held on Saturday 10<sup>th</sup> of August, 2019 at 10.00 A.M. at FTCCI Surana Hall, Federation House, FTAPCCI Marg, Red Hills, Hyderabad - 500 004, Telangana and at any adjourned meeting thereof.

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

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

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

DP ID \_\_\_\_\_

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

**Note:**

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

**B.N. RATHI SECURITIES LIMITED**

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

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

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



