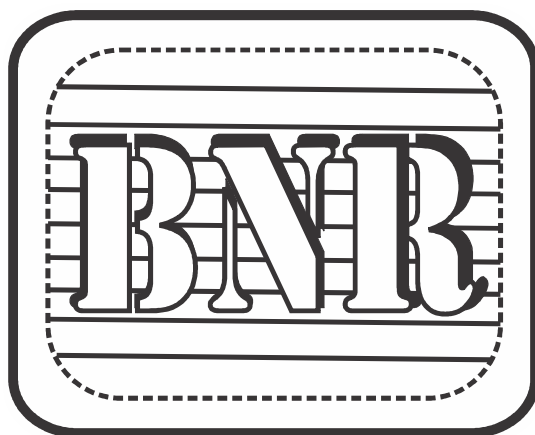


B.N. Rathi Securities Limited



34th Annual Report
2019-2020



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

- 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. KFIN Technologies 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

INVESTOR E-MAIL ID : investorgrievances@bnrsecurities.com

CORPORATE IDENTITY NUMBER : L65993TG1985PLC005838



NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of B.N. Rathi Securities Limited will be held on Thursday, 13th day of August, 2020 at 10.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2020, 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 confirm the payment of Interim Dividend of '1 per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20.
3. To appoint a director in place of Mr. Chetan Rathi (DIN: 00536441) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To authorise the Board to create charge / mortgage properties of the company under section 180 (1) (a) of the Companies Act, 2013**

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

"RESOLVED THAT pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and Articles of Association of the Company, and subject to such other approvals and permissions as may be required, consent of the Members, be and is hereby accorded, to sell, mortgage and / or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and at such time and on such terms and conditions may be determined, on all or any of the movable and / or immovable properties, and / or the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and / or the whole or any part of the undertaking(s) of the Company, together with the power to take over the management of business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and / or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes/ bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the agent(s) and / or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Heads of Agreement(s), Debenture Trust Deed(s) or any other agreement / document, entered into / to be entered into between the Company and the lender(s) / investor(s) / agent(s) and / or trustee(s), in respect of the said loans, borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and / or trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of security, finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any



question difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole time Director or Director or any other officer of the Company or any other person.

5. To approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding Rs. 50 crores.

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

“RESOLVED THAT pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and Articles of Association of the Company, consent of the members of the Company be and is hereby given to the Board of Directors to borrow moneys, from time to time, whether as rupee loans, foreign currency loans, debentures, bonds and/ or other instruments or non-fund based facilities or in any other form (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) from the Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate or from any other source, located in India or abroad, whether unsecured or secured, on such terms and conditions as may be considered suitable by Board of Director up to an amount the aggregate outstanding of which should not exceed, at any given time, Rs.50 Crores.

RESLOVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of such borrowings, finalise and execute all such deeds, documents and writing as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole time Director or Director or any other officer of the Company or any other person.”

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

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Place : Hyderabad
Date : 22.06.2020



NOTES:

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the AGM of the Company is being held through VC / OAVM.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
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 7TH August, 2020 to 13th August, 2020 (including both days).
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. 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. KFIN Technologies Private Limited.)
6. 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. KFIN Technologies Private Limited, Share Transfer Agents of the Company for their doing the needful.
7. 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.
8. 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.
9. 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.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.



11. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2019- 20 will also be available on the Company's website www.bnrsecurities.com for their download. For any communication, the shareholders may also send requests to the Company's investor email id: investorgrievances@bnrsecurities.com.
12. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 34th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
13. e-AGM: Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
14. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
15. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
16. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
17. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
18. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Instructions for the Members for attending the e-AGM through Video Conference:

1. Attending e-AGM Video conference: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



6. AGM Questions prior to e-AGM: Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos (i.e. 6th August, 2020). To post the questions shall commence on 10th August, 2020 9.00 AM and will be closed on 12th August, 2020 at 5.00 PM.
7. Due to limitations of transmission and co-ordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.
8. Speaker Registration during e-AGM session: In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on 12th August, 2020 at 9.00 AM and will be closed on 12th August, 2020 at 5.00 PM
19. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI (LODR) regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 6th, August, 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin Technologies Private Limited or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- 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 (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). 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, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.



- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - x. Cast your votes 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 subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
 - xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at ssrfcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL_EVENT No.'
 - xii. Members can cast their vote online from 10th August, 2020 (9.00 a.m.) till 12th August, 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
 - xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).
20. 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.
21. 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.
22. 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. 6th August, 2020.
23. 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. 6th August, 2020 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
- 24.. 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 and on the website of the KFin Tech <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
25. 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 2019-20, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2012-13 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.
26. 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 6th August, 2020.



27. 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.
28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
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

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Place : Hyderabad
Date : 22.06.2020



ANNEXURE TO NOTICE
EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO
SECTION 102 OF THE COMPANIES ACT, 2013

FOR ITEM NO. : 4 &5

Keeping in view the additional fund requirements for meeting the capital expenditure for the long term working capital needs of the Company, the Board of Directors had, in its meeting held on 22.06.2020, considered and approved subject to the approval of the shareholders, the borrowing limits of the company to Rs. 50 crores and creation of security on the properties of the Company and recommends Resolutions no. 4 & 5 of the accompanying Notice to the members for their approval by way of special resolution.

Pursuant to Sections 180(1)(c) and 180(1)(a) of the Companies Act 2013, approval of the members by way of special resolution is required to authorize the Board of Director to borrow moneys up to the said limits and create security in respect thereof.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4 &5.

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

Place : Hyderabad
Date : 22.06.2020

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899



BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 34th Boards' Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

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

The performance during the period ended 31st March, 2020 has been as under:

(Rs. In Lakhs)

Particulars	Standalone		Consolidate	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	2298.43	2085.44	2367.08	2573.20
Other income	254.89	189.07	275.80	237.08
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	306.67	222.66	304.81	252.73
Less: Depreciation/ Amortisation/ Impairment	20.74	14.15	21.32	14.66
Profit /loss before Finance Costs, Exceptional items and Tax Expense	285.93	208.51	283.49	238.07
Less: Finance Costs	52.84	41.37	54.79	44.47
Profit /loss before Exceptional items & Tax Expense	233.09	167.14	228.7	193.6
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	233.09	167.14	228.6	193.6
Less: Tax Expense (Current & Deferred)	58.56	51.36	58.53	70.03
Profit /loss for the year (1)	174.53	115.78	170.15	123.56
Total Comprehensive Income/loss (2)	-26.17	+5.60	-26.07	+5.59
Total (1+2)	148.46	121.38	144.08	129.15
Balance of profit /loss for earlier years	1029.12	980.65	1334.76	1278.52
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	100.80	60.48	100.80	60.48

2. STATE OF AFFAIRS/ COMPANY'S PERFORMANCE:

The total revenue of the Company for the financial year under review on consolidated basis was Rs. 2642.89 lakhs as against Rs.2810.30 lakhs for the previous financial year. The company recorded a net profit of Rs.228.68 for the financial year 2019-20 as against the net profit of Rs. 193.60 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2019-20 was Rs. 2553.32 lakhs as against Rs. 2274.51 lakhs for the previous financial year. The net profit for the financial year 2019-20 is Rs. 174.53 Lakhs as against the net profit of Rs. 115.79 lakhs for the previous year.

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

3. RESERVES:

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review

**4. DIVIDEND:**

Pursuant to the approval of the Board of Directors on February 13, 2020 your Company paid an interim dividend of Re.1/- per equity share of face value of Rs. 10/- each to shareholders who were on the register of members as on February 27, 2020 being the record date fixed for this purpose. The Board has not recommended a final dividend and the interim dividend of Re.1/- declared by the Board in February 2020 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains Re.1 per equity share.

5. 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.

6. MATERIAL CHANGES AND COMMITMENTS:

During the year, the company obtained new membership with the Multi Commodity Exchange to have a single membership across all the exchanges.

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 22.06.2020)

7. REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements for the year under review.

8. AUTHROISED AND PAID UP CAPITAL OF THE COMPANY:

The Companies Authorised Capital of the Company is Rs. 6,00,00,000 divided into 6,00,000 equity shares of Rs. 10/- each. The paid up capital of the company is Rs. 5,04,00,000 divided into 50,40,000 equity shares of Rs. 10/- each. There is no issue of shares under differential rights, employee stock options, sweat equity during the year.

9. INVESTOR EDUCTION 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 2012-13 will expire on 07.08.2020 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 31.03.2020 are as given below:

(Amount in Rupees)

Financial Year	Date of Declaration of Dividend	Last Date of Claiming the Dividend	Unclaimed amount in Rs. as on 31.03.2020	Due date for transfer to Investor Education and Protection Fund (IEPF)
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	25.07.2021
2014-15	18.07.2015	17.07.2022	3,15,952	16.08.2022
2015-16	06.08.2016	05.08.2023	1,95,131	17.08.2023
2016-17	05.08.2017	04.08.2024	2,70,100	04.09.2024
2017-18	09.08.2018	08.08.2025	1,49,892	08.09.2025
2018-19	10.08.2019	09.08.2026	1,93,891	09.09.2026



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.

10. TRANSFER OF SHARES AND UNPAID/UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, an amount of Rs. 1,90,357/- pertaining to unpaid and unclaimed dividend for the financial year 2011-12 has been transferred to IEPF during the year under report. Further, 9004 shares in respect of which dividend has not been paid or claimed for seven consecutive years have also been transferred to IEPF.

Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during financial year 2018-19 through letters and newspaper publication.

The details of dividend and shares transferred to IEPF, unpaid and unclaimed amounts lying with the Company and procedure for claiming the dividend and shares from IEPF Authority are available on the website of the Company at the link: www.bnrsecurities.com and also on the website of Investor Education and Protection Fund Authority i.e. www.iepf.gov.in.

The last date for claiming dividend declared during financial year 2012-13 is 07.08.2020 and remained unpaid is Rs. 1,92,868. Members may forward their claims for unclaimed dividend to the Company's RTA before they are due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/shares so transferred.

DETAILS OF THE NODAL OFFICER

The Company has designated Mr. M V Rao as a Nodal Officer for the purpose of IEPF.

11. DIRECTORS OR KMP APPOINTED OR RESIGNED

None of the Directors or Key Managerial Personnels have appointed nor resigned during the year.

12. 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 under regulation 16(1)(b) read with regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Independent Directors have also confirmed that they have complied Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).



13. BOARD MEETINGS

The Board of Directors duly met 4 (Four) times on 22.05.2019, 10.08.2019, 11.11.2019, and 13.02.2020 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.

14. COMPOSITION OF AUDIT COMMITTEE

Audit committee : Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

Brief Description of Terms of Reference : 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.

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Approval of payment to statutory auditors for any other services rendered by them.
- v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vii. Examination of the financial statement and the auditors' report thereon;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;



- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xv. Reviewing the findings of any internal investigations by the internal auditors into 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;
- xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.

Review of the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

During the financial year 2019-20, (4) four meetings of the Audit Committee were held on the 22.05.2019, 10.08.2019, 11.11.2019, and 13.02.2020.



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

15. Nomination and remuneration committee

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.



- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarisation programmes for Directors.
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.

Perform other activities related to the charter as requested by the Board from time to time
During the financial year 2019-20, one meeting of the NRC was held on the 13.02.2020.

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

16. Stakeholder's relationship committee

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/KMPs, as may be required and identifying actionable points for implementation.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 4 Directors out of which 3 are independent. In the financial year 2019-20, 4 meetings of the Committee were held 22.05.2019, 10.08.2019, 11.11.2019, and 13.02.2020. Composition of committee and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mrs. Shanti Sree Bolleni	Chairperson	NED(I)	4	4
Mr. Laxminivas Sharma	Member	NED(I)	4	4
Mr. Harish Chandra Prasad	Member	NED(I)	4	4
Mr. Chetan Rath	Member	ED	4	3



17. RISK MANAGEMENT COMMITTEE

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. However, to further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors voluntarily constituted a Board level Risk Management Committee (RMC).

A) Composition:

The Details of composition of the Committee are given below:

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

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.

18. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

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

2. Terms and References:

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.
- 2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Qualifications and criteria

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole



and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

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

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

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

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

3.2 Criteria of independence

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

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

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

3.3 Other Directorships/ Committee Memberships

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



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

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

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

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

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

3. Policy:

- 3.1 Remuneration to Executive Director and Key Managerial Personnel
 - 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
 - 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.



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

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

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

3.2 Remuneration to Non-Executive Directors

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

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

19. 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.

20. 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 :

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-1** to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013 the said annexure is open for inspection at the registered office of the Company during the working hours. Any member interested in obtaining a copy of the same may write to the Company

21. 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 11:1 is being paid to Shri. Chetan Rathi, Whole-Time director of the Company and a ratio of 13:1 is being paid to Shri. Hari Narayan Rathi, Managing Director of the Company.

22. 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.

23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment.



The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

24. NO FRAUDS REPORTED BY STATUTORY AUDITORS

During the Financial Year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

25. 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. 89.55 lacs with a Loss of Rs. 3.83 lacs and Income of Rs. 0.014 lacs with a loss of Rs. (0.542.) lacs respectively.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary companies is prepared in Form AOC-1 and is attached as **Annexure -2** and forms part of this report.

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

There have been no companies which have become or ceased to be the subsidiaries, joint ventures or associate companies during the year.

27. CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

28. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2019 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2020, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/ loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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



30. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2019-20, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- 3 to this report.

31. 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.

32. 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

33. 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.

34. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the



Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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 www.bnrsecurities.com.

35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

36. STATUTORY AUDITORS AND STATUTORY AUDITORS REPORT :

At the 33rd Annual General Meeting held on 10.08.2019, the members of the company approved the appointment of M/s. Seshachalam & Co, chartered Accountants Statutory Auditors of the company for the term of five years from the financial year 2019-20 onwards on such terms and conditions and remuneration as may be decided by the Board. M/s Seshachalam & Co will continue as statutory auditors of the company till the conclusion of the 38th Annual General Meeting to be held for the financial year 2023-24.

The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2020 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

37. SECRETARIAL AUDIT REPORT:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries (CP No. 7478) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2020.

The Secretarial Audit was carried out by M/s. S.S. Reddy & Associates, Company Secretaries (CP No. 7478) for the financial year ended March 31, 2020. The Report given by the Secretarial Auditor is annexed herewith as **Annexure- 4** and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

38. INTERNAL AUDITORS:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company on quarterly basis by M/s Penmetsa & Associates., the Internal Auditor of the Company.

Deviations are reviewed periodically and due compliance 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. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

The Board has re-appointed by M/s Penmetsa & Associates, Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2020-21.



39. SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs..

40. DECLARATION BY THE COMPANY

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2020.

41. 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 as **Annexure – 5**

42. DISCLOSURE ABOUT COST AUDIT:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

43. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as **Annexure- 6** to this report.

44. DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations attached as **Annexure-7**.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

45. 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

46. INSURANCE:

The properties and assets of your Company are adequately insured.



47. 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.

48. 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.

49. CEO/ CFO Certification

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as **Annexure-8** in this Annual Report.

50. 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)

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at [www. bnrathisecurities.com](http://www.bnrathisecurities.com)

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

52. Other Disclosures:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.



53. ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

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, 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

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Place : Hyderabad
Date : 22.06.2020



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.
143373	NIL	NIL	152377

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



Certificate of Code of Conduct for the year 2019-20

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March 2020.

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

Place : Hyderabad
Date : 22.06.2020

Sd/-
Hari Narayana Rathi
Managing Director and CEO



Annexure 1

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

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	51,00,000	13:1
Mr. Chetan Rathi	42,00,000	11:1

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 2019-20	FY 2018-19	
Laxminivas Sharma	Director	-	-	0%
Hari Narayan Rathi	Managing Director	51,00,000	42,00,000	21.43%
Harishchandra Prasad Kanuri	Director	-	-	NIL
Chetan Rathi	Wholetime Director /CFO	42,00,000	36,00,000	16.67%
Shanti Sree Bolleni	Director	-	-	NIL
Gadila Sabitha Reddy	Company Secretary	4,67,200	4,35,600	7.25%

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

Particulars	Remuneration		Increase/ (Decrease)%
	FY 2019-20	FY 2018-19	
Median Remuneration of all the employees per annum*	3,95,600	3,59,400	10%

- 4.
- | Particulars | Number |
|--|--------|
| The number of employees on the rolls of the company as on March 31, 2019 | 82 |



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

Particulars	Increase/ (Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	13.04%
Average Percentage increase in the Remuneration of Key Managerial Personnel	
Mr. Hari Narayan Rathi (Managing Director)	21.43%
Mr. Chetan Rathi (Wholetime Director/CFO)	16.67%
Mrs. Gadila Sabitha Reddy (Company Secretary)	7.25%

**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.



Annexure 2

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 : 01.04.2019 to 31.03.2020

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	3,44,39,893	(41,33,914)
3.	Total Assets	4,45,05,027	8,66,086
4.	Total Liabilities	4,45,05,027	8,66,086
5.	Investments	20,00,000	-
6.	Turnover (Income)	89,55,035	1,435
7.	Profit / loss before Taxation	(3,86,557)	(54,254)
8.	Provision for Taxation	(2,695)	-
9.	Profit / loss after Taxation	(3,83,862)	(54,254)
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

Sd/-
T. Bharadwaj
Partner

Sd/-
LAXMINIWA SHARMA
Chairman

Sd/-
HARINARAYAN RATHI
Managing Director

Sd/-
CHETAN RATHI
Executive Director-cum-CFO

Sd/-
SABITHA REDDY
Company Secretary

Sd/-
M.V. RAO
Compliance Officer

Place : Hyderabad

Date : 22.06.2020



Annexure 3

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 Rathi - Managing Director Chetan Rathi - Executive Director
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi - Wife of Hari Narayan Rathi Nisha Rathi - Wife of Chetan Rathi Anuradha Pasari - Daughter of Hari Narayan Rathi Govind Narayan Rathi-Brother of Hari Narayan Rathi

b) Transactions with related parties:

Amount in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Rent Paid:		
- Chanda Devi Rathi	9,84,000	9,84,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration Paid:		
- Hari Narayan Rathi	51,00,000	42,00,000
- Chetan Rathi	42,00,000	36,00,000
- Nisha Rathi	7,20,000	7,20,000
Dividend Paid:		
- Hari Narayan Rathi	32,44,910	19,20,666
- Chetan Rathi	9,97,068	5,98,241
- Chanda Devi Rathi	6,24,812	374,887
- Nisha Rathi	4,03,048	241,829
Service Rendered – Brokerage Received:		
- Hari Narayan Rathi	10,484	1,332
- Chetan Rathi	8,053	18,217
- Chanda Devi Rathi	2,725	12,718
- Nisha Rathi	2,070	10,071
- Govind Narayan Rathi	3,464	5,196



- Anuradha Pasari	1,389	6,219
- Hari Narayan Rathi HUF	293	72,144
- Chetan Rathi HUF	9	-
Loan Advanced	-	5,00,000
- BNR Food Specialities LLP		
Receipt of loan advanced		
- BNR Food Specialities LLP	5,00,000	-
Investments disposed:		
- BNR Food Specialities LLP*	-	45,00,000
Investments made:		
- BNR Food Specialities LLP		-
Investments disposed:		
- BNR Food Specialities LLP*		-

**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:

Amount in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Rent Deposit:		
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000

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



FORM MR-3
SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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 31st March, 2020, 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. Rath Securities Limited ("The Company") for the financial year ended on 31st March, 2020, 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 Guideline prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2019-20:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;
The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.bnrsecurities.com
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **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) Regulations, 2014 ; **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 KFIN Technologies 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, 2018; **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 4 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. Penmetesa & Associates, Chartered Accountants, Hyderabad.
- iii. 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.
- iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- v. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- vii. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- viii. We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- ix. 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.
- x. 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

Sd/-

S. Sarveswara Reddy
Proprietor

C.P. No. : 7478

Place : Hyderabad

Date : 22.06.2020

UDIN No. A012611B000362312



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

Sd/-

S. Sarveswara Reddy
Proprietor

C.P. No. : 7478

UDIN No. A012611B000362312

Place : Hyderabad
Date : 22.06.2020



MGT 9

Annexure - 5

Extract of Annual Return

As on the Financial Year 31.03.2020

[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.	Stock 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	2637419	0	2637419	52.33	2637419	0	2637419	52.33	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A) (1)	2637419	0	2637419	52.33	2637419	0	2637419	52.33	0
(2) Foreign									
a) NRIs									
Individuals	0	0	0	0	0	0	0	0	0
b) Other									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Totalshare holding of Promoter (A) = (A)(1) + (A)(2)	2637419	0	2637419	52.33	2637419	0	2637419	52.33	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) 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.	96589	300	96889	1.92	86745	300	87045	1.72	-0.20
b) Individuals	0	0	0	0	0	0	0	0	0



i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	810868	201541	1012409	20.09	762219	186160	948379	18.82	-1.27
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	877863	11900	889763	17.65	932438	11900	944338	18.74	1.08
c) Others (specify)									
1. NRI	256327	0	256327	5.09	263230	0	263230	5.22	0.14
2. Clearing Members	420	0	420	0.01	1062	0	1062	0.02	0.01
3. NRI Non Repat	3400	0	3400	0.07	6150	0	6150	0.12	0.05
4. IEPF	143373	0	143373	2.84	152377	0	152377	3.02	0.18
Sub-total (B)(2)	2188840	213741	2402581	47.67	2204221	198360	2402581	47.67	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	2188840	213741	2402581	47.67	2204221	198360	2402581	47.67	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4826259	213741	5040000	100.00	4841640	198360	5040000	100.00	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	1624955	32.24	-	1624955	32.24	-	0
2.	Chetan Rathi	498534	9.89	-	498534	9.89	-	0
3.	Chanda Devi Rathi	312406	6.20	-	312406	6.20	-	0
4.	Nisha Rathi	201524	4.00	-	201524	4.00	-	0



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

Sl. No.	Share holder's name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. Hari Narayan Rathi					
	At the beginning of the year	1624955	32.24	-	-
	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	-	-	1624955	32.24
2. CHETAN RATHI					
	At the beginning of the year	498534	9.89	-	-
	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	-	-	498534	9.89
3. CHANDA DEVI RATHI(PROMOTER GROUP)					
	At the beginning of the year	312406	6.20	-	-
	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	-	-	312406	6.20
4. NISHA RATHI (PROMOTER GROUP)					
	At the beginning of the year	201524	4.00	-	-
	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			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	MADANLAL LALIT KOTHARI At the beginning of the year Changes during the year	01.04.2019	Opening balance	243995	4.84	-	-		
		31.03.2020	Closing Balance			243995	4.84		
2	MAHENDRA GIRDHARILAL At the beginning of the year Changes during the year	01/04/2019	Opening Balance	28467	0.56				
		14/06/2019	Transfer	1192		29659	0.59		
		21/06/2019	Transfer	2313		31972	0.63		
		28/06/2019	Transfer	12035		44007	0.87		
		12/07/2019	Transfer	2329		46336	0.92		
		19/07/2019	Transfer	1439		47775	0.95		
		26/07/2019	Transfer	7200		54975	1.09		
		02/08/2019	Transfer	800		55775	1.11		
		23/08/2019	Transfer	1807		57582	1.14		
		30/08/2019	Transfer	1000		58582	1.16		
		06/09/2019	Transfer	182		58764	1.17		
		20/09/2019	Transfer	175		58939	1.17		
		27/09/2019	Transfer	8265		67204	1.33		
		30/09/2019	Transfer	3694		70898	1.41		
		04/10/2019	Transfer	1583		72481	1.44		
		11/10/2019	Transfer	1150		73631	1.46		
		18/10/2019	Transfer	520		74151	1.47		
		25/10/2019	Transfer	4068		78219	1.55		
		01/11/2019	Transfer	1000		79219	1.57		
		08/11/2019	Transfer	3069		82288	1.63		
		15/11/2019	Transfer	9748		92036	1.83		
		22/11/2019	Transfer	1000		93036	1.85		
		29/11/2019	Transfer	1479		94515	1.88		
		06/12/2019	Transfer	3101		97616	1.94		
		13/12/2019	Transfer	3128		100744	2.00		
		20/12/2019	Transfer	199		100943	2.00		
		27/12/2019	Transfer	3254		104197	2.07		
		31/12/2019	Transfer	551		104748	2.08		
		03/01/2020	Transfer	818		105566	2.09		
		10/01/2020	Transfer	3544		109110	2.16		
		17/01/2020	Transfer	17687		126797	2.52		
		24/01/2020	Transfer	19083		145880	2.89		
		31/01/2020	Transfer	13468		159348	3.16		
		07/02/2020	Transfer	20826		180174	3.57		
		14/02/2020	Transfer	400		180574	3.58		
		06/03/2020	Transfer	534		181108	3.59		
		20/03/2020	Transfer	59		181167	3.59		
		31/03/2020	Transfer	8633		189800	3.77		
			At the End of the Year	31/03/2020	Closing Balance			189800	3.77



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		10/01/2020	Purchase	500		1499	0.03
		17/01/2020	Sale	-1499		0	0.00
		20/03/2020	Purchase	250		250	0.00
		27/03/2020	Sale	-250		0	0.00
		31/03/2020	Purchase	152		152	0.00
	At the end of the year	31/03/2020	Closing Balance			152	0.00
7	AJESH DALAL						
	At the Beginning of the year	01/04/2019	Opening Balance	60000	1.19	-	-
	Changes during the year		Closing Balance	-	-	-	-
	At the end of the Year	31/03/2020				60000	1.19
8	MURALI KRISHNA A						
	At the beginning of the year	01/04/2019	Opening Balance	50505	1.00	-	-
	Changes during the year		Closing Balance			-	-
	At the End of the year	31/03/2020				50505	1.00
9	PUSHPANJALI GOLLAPUDI						
	At the beginning of the year	01.04.2019	Opening Balance	50000	0.99		
	Changes during the year		Closing Balance				
	At the end of the year	31/03/2020				50000	0.99
10	ANURADHA PASARI						
	At the beginning of the year	01.04.2019	Opening Balance	47346	0.94		
	Changes during the year	21/06/2019	Purchase	100		47446	0.94
		28/06/2019	Sale	-3		47443	0.94
		05/07/2019	Sale	-4		47439	0.94
		12/07/2019	Sale	-93		47346	0.94
	At the end of the year	31/03/2020	Closing Balance			47346	0.94
11.	'NIRMAN SHARE BROKERS PVT. LTD.						
	At the beginning of the year	01.04.2019	Opening Balance	42000	0.83		
	Changes during the year		Closing Balance				
	At the end of the year	31/03/2020				42000	0.83
12	LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED						
	At the beginning of the year	01.04.2019	Opening Balance	33074	0.66		
	Changes during the year		Closing Balance				
	At the end of the year	31/03/2020				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	Hari Narayan Rathi At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	1624955	32.24	- 1624955	- 32.24
2	Chetan Rathi At the beginning of the year Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): At the End of the year	498534	9.89	- 498534	- 9.89

(vi) INDEBTEDNESS

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

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



B.N. RATHI SECURITIES LIMITED

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(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	51,00,000	42,00,000	93,00,000
	(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)	51,00,000	42,00,000	93,00,000
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.	Independent Directors				
	* Fee for attending board / committee meetings	60,000	60,000	60,000	1,80,000
	* Commission				
	* Others, please specify				
	Total (1)	60,000	60,000	60,000	1,80,000
2.	Other Non-Executive Directors				
	* Fee for attending board / committee meetings				
	* Commission				
	* Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1 + 2)	60,000	60,000	60,000	1,80,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (G. Sabitha Reddy)	CFO	
1.	Gross salary	-	4,67,200	-	4,67,200
(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		4,67,200	-	4,67,200

viii. Penalties / Punishment / Compounding of Offences :

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

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

Place : Hyderabad
Date : 22.06.2020

Sd/-
Hari Narayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Whole Time Director
DIN : 00536441



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 32 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 2019-20	F.Y 2018-19	% of changes
Debtors Turnover	4.09	3.03	6%
Inventory Turnover	-	-	-
Interest Coverage Ratio	6.73	8.13	-42%
Current Ratio	1.38	1.46	2%
Debt Equity Ratio	2.23	1.82	-2%
Operating Profit Margin (%)	0.12	0.09	-36%
Net Profit Margin(%)	0.10	0.08	-39%

Human Resource

Company has adequately 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.



Annexure - 7

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

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

Thanking You.

Yours Faithfully,

Place : Hyderabad
Date : 22.06.2020

Sd/-
Laxminivas Sharma
(Independent Director)



DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

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

Thanking You.

Yours Faithfully,

Place : Hyderabad
Date : 22.06.2020

Sd/-
Harishchandra Prasad Kanuri
(Independent Director)



DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

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

Thanking You.

Yours Faithfully,

Place : Hyderabad
Date : 22.06.2020

Sd/-
Shanti Sree Bolleni
(Independent Director)



CERTIFICATE BY THE CEO AND CFO OF THE COMPANY

To
The Board of Directors

Dear Sir,

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 2020 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 : 22.06.2020

Sd/-
Hari Narayan Rathi
Managing Director

Sd/-
Chetan Rathi
CFO



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, 2020, 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, 2020, 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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

Sd/-
T. Bharadwaj
Partner

Place : Hyderabad
Date : 22.06.2020

Membership No. : 201042
UDIN: 20201042AAAAAR1793



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

Sd/-

T. Bharadwaj

Partner

Membership No. : 201042

UDIN: 20201042AAAAAR1793

Place : Hyderabad

Date : 22.06.2020



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, 2020 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 judgment, 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, 2020, 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, 2020, 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 June 22, 2020 expressed an unqualified opinion.

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

Sd/-
T. Bharadwaj
Partner
Membership No. : 201042
UDIN: 20201042AAAAAR1793

Place : Hyderabad
Date : 22.06.2020

**1. Corporate Information:**

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

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

2. Significant Accounting Policies:

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

a) 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) 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.

d) 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.

e) Property, plant and equipment:

i. Recognition and initial measurement:

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

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

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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



iv. Transition to Ind AS:

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

f) Intangible Assets:

i. Recognition and initial measurement:

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

ii. Amortization and estimated useful lives:

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

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

iii. Transition to Ind AS:

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

g) Impairment of assets:

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

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

h) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



(i) Right-of-Use Assets

The Company recognises right-of-use assets ("RoU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (g) Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities". Lease liabilities has been presented under the head "Other Financial Liabilities".

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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).

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 financials 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) 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.

l) 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).

m) 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.

n) 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.

o) 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.

p) Earnings per share:

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

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

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	23,54,690	22,47,772
(b) Intangible assets	4	1,53,238	3,81,935
(c) Financial Assets			
- Investments	5	1,50,00,000	1,50,00,000
- Loans	6	1,14,50,000	91,00,000
- Other non-current financial assets	7	5,58,892	3,15,011
(d) Deferred tax assets (Net)	8	27,11,562	24,35,497
(e) Other non-current assets	9	18,94,040	30,01,179
Total Non-Current Assets [A]		3,41,22,422	3,24,81,394
2 Current Assets			
(a) Financial Assets			
- Investments	10	7,00,000	7,00,000
- Loans	11	10,60,00,000	20,14,00,000
- Trade receivables	12	4,24,74,434	7,00,24,197
- Cash and cash equivalents	13	12,29,36,987	4,55,04,814
- Bank balances other than above	14	24,54,47,032	14,24,44,399
- Other current financial assets	15	2,62,61,042	40,91,902
(b) Current tax asset [Net of provisions]	16	12,63,300	19,80,798
(c) Other current assets	17	51,41,266	41,81,319
Total Current Assets [B]		55,02,24,061	47,03,27,429
TOTAL ASSETS [A+B]		58,43,46,483	50,28,08,823
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	18	5,04,00,000	5,04,00,000
(b) Other Equity	19	13,06,79,982	12,79,85,755
Total Equity [A]		18,10,79,982	17,83,85,755
2 Non-Current Liabilities			
(a) Financial Liabilities			
- Other non current financial liabilities	20	2,67,830	-
(b) Provisions	21	52,26,816	23,42,526
Total Non-Current Liabilities [B]		54,94,646	23,42,526
3 Current Liabilities			
(a) Financial Liabilities			
- Borrowings	22	-	24,220
- Trade payables	23	38,40,73,672	31,07,32,609
- Other current financial liabilities	24	9,70,382	-
(b) Provisions	25	4,05,279	2,03,030
(c) Other current liabilities	26	1,23,22,522	1,11,20,684
Total Current Liabilities [C]		39,77,71,855	32,20,80,542
TOTAL EQUITY AND LIABILITIES [A+B+C]		58,43,46,483	50,28,08,823
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	3 to 49		

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Sd/-
Harinarayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 22.06.2020

Sd/-
Sabitha Reddy
Company Secretary

Sd/-
M.V. Rao
Compliance Officer

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Statement of Profit & Loss for the year ended 31st March, 2020

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I REVENUE			
Revenue from Operations (Gross)	27	22,98,42,933	20,85,43,743
Other Income	28	2,54,89,430	1,89,07,325
TOTAL REVENUE [I]		25,53,32,363	22,74,51,068
II EXPENSES			
Employee benefit expenses	29	6,02,57,260	4,70,32,285
Finance costs	30	52,84,296	41,37,246
Depreciation and amortization expense	3 & 4	20,73,727	14,14,480
Other expenses	31	5,96,12,242	5,22,89,175
Share of brokerage		10,47,95,429	10,58,63,224
TOTAL EXPENSES [II]		23,20,22,954	21,07,36,410
III Profit Before Tax		2,33,09,409	1,67,14,658
IV Tax Expense:			
- Current tax	32	61,31,959	48,67,749
- Adjustment of current tax relating to earlier years		-	-
- Deferred tax credit	32	(2,76,067)	2,68,299
V Profit for the period		1,74,53,517	1,15,78,611
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(26,12,217)	5,62,292
- Remeasurements of financial assets		4,902	(229)
- Recognition of borrowings using effective interest rate		-	(2,440)
Other comprehensive income for the year, net of tax		1,48,46,201	1,21,38,234
VII Earnings per equity share Rs. 10/- each fully paid			
- Basic	38	3.46	2.30
- Diluted	38	3.46	2.30
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	3 to 49		

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Sd/-
Harinarayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 22.06.2020

Sd/-
Sabitha Reddy
Company Secretary

Sd/-
M.V. Rao
Compliance Officer


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Cash Flow Statement for the year ended 31st March, 2020

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) for the period		2,33,09,409	1,67,14,658
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		20,73,727	14,14,480
Interest expense other than lease liability		39,59,916	23,43,044
Interest expense on account of lease liability		1,00,271	-
Remeasurement of post employee benefits		(26,12,217)	5,62,292
Remeasurement of lease		(9,37,146)	-
Profit on sale of securities		(31,329)	-
Income from disposal of scrapped asset		(3,500)	-
Profit on sale of investments in mutual funds		-	(9,39,639)
Excess provision created written back		(1,001)	(97,000)
Dividend income		(50,000)	(1,00,700)
Interest income		(2,54,03,600)	(1,77,69,986)
Cash generated before working capital changes		4,04,529	21,27,149
Movements in working capital:			
Increase/(Decrease) in trade payables		7,33,41,063	29,10,666
Increase/(Decrease) in other current liabilities		12,01,838	(2,12,255)
Increase/(Decrease) in long term provisions		28,84,290	(2,25,618)
Increase/(Decrease) in short term provisions		2,02,249	56,440
(Increase)/Decrease in trade receivables		2,75,49,763	(25,06,392)
(Increase)/Decrease in other non-current financial assets		3,636	65,367
(Increase)/Decrease in non-current loans		(23,50,000)	40,00,000
(Increase)/Decrease in current loans		9,54,00,000	(3,64,14,215)
(Increase)/Decrease in other non-current assets		11,07,139	(24,992)
(Increase)/Decrease in other current financial assets		(2,12,35,573)	20,78,865
(Increase)/Decrease in other current assets		(9,59,947)	16,05,008
Cash generated from operations		17,75,48,987	(2,65,39,978)
Income taxes paid		(54,13,460)	(56,53,503)
Net cash flow (used in)/from operating activities (A)		17,21,35,528	(3,21,93,480)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Purchase) of property, plant and equipment, including intangible assets		(10,49,541)	(6,51,516)
Net (Purchase) of current investments		(10,74,48,758)	92,68,599
Net Sale of current investments		10,74,80,087	-
Dividend received		50,000	1,00,700
Interest received		2,54,03,600	1,77,69,986
Net cash flow (used in)/from investing activities [B]		2,44,35,388	2,64,87,769
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of)/Proceeds from short term borrowings		-	(3,96,200)
(Investment)/Redemption of bank deposits		(10,30,02,633)	(6,85,87,265)
Dividends paid on equity shares and tax on equity dividend paid		(1,21,51,974)	(72,91,148)
Interest paid		(39,59,916)	(23,43,044)
Net cash flow (used in)/from financing activities [C]		(11,91,14,523)	(7,86,17,657)

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Cash Flow Statement for the year ended 31st March, 2020

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		7,74,56,393	(8,43,23,368)
E. Cash and cash equivalents			
at the beginning of the year	13	4,54,80,594	12,98,03,962
at the end of the year		12,29,36,987	4,54,80,594
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		9,50,72,144	66,22,977
- Deposits with original maturity of less than 3 months		2,78,07,923	3,88,57,923
Cash on hand		56,920	23,914
Less: Bank overdraft		-	(24,220)
Cash and cash equivalents at the end of the year	2(n)	12,29,36,987	4,54,80,594
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	3 to 49		

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Sd/-
Harinarayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 22.06.2020

Sd/-
Sabitha Reddy
Company Secretary

Sd/-
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, 2020**Statement of Changes in Equity for the year ended March 31, 2020****A. Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	5,04,00,000	5,04,00,000

B. Other Equity

Particulars	For the period ended March 31, 2020	For the period year ended March 31, 2019
Movement in other equity is as follows:		
I. Capital Reserve	14,90,400	14,90,400
II. Securities Premium	2,26,16,151	2,26,16,151
III. General Reserve	9,66,955	9,66,955
IV. Retained Earnings		
(i) Opening Balance	10,29,12,249	9,80,65,163
(ii) Profit for the year	1,74,53,517	1,15,78,611
(iii) Other comprehensive income	(26,07,315)	5,59,623
(iv) Dividend paid	(1,00,80,000)	(60,48,000)
(v) Tax on distributed profits	(20,71,974)	(12,43,148)
	10,56,06,476	10,29,12,249
Total	13,06,79,982	12,79,85,755

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
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Place : Hyderabad
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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, 2020
Note 3: Property, plant and equipment

Particulars	As at March 31, 2020	As at March 31, 2019
Furniture and Fittings	1,78,177	1,19,899
Motor Vehicles	12,28,177	16,77,880
Computers and Data Processing Units	3,66,150	2,42,041
Office Equipment	5,82,185	2,07,952
Total	23,54,690	22,47,772

For the year 2019-20

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Carrying Amount					
As at April 01, 2019	7,63,055	86,57,542	23,27,615	21,07,910	1,38,56,120
Additions	1,05,443	-	3,97,763	5,49,834	10,53,041
Disposals	-	-	-	-	-
Balance as at March 31, 2020	8,68,498	86,57,542	27,25,378	26,57,744	1,49,09,161
II. Accumulated Amortization					
Upto April 01, 2019	6,43,157	69,79,661	20,85,574	18,99,956	1,16,08,348
Depreciation expense for the period	47,164	4,49,703	2,73,655	1,75,603	9,46,125
Eliminated on disposal of assets	-	-	-	-	-
Upto March 31, 2020	6,90,321	74,29,365	23,59,229	20,75,559	1,25,54,473
III. Net Carrying Amount [I-II]					
As at March 31, 2020	1,78,177	12,28,177	3,66,150	5,82,185	23,54,690
As at March 31, 2019	1,19,898	16,77,881	2,42,041	2,07,954	22,47,774

For the year 2018-19

I. Gross Carrying Amount					
As at April 01, 2018	7,63,055	86,57,542	21,99,851	20,75,540	1,36,95,988
Additions	-	-	1,27,764	32,368	1,60,132
Disposals	-	-	-	-	-
Balance as at March 31, 2019	7,63,055	86,57,542	23,27,615	21,07,908	1,38,56,120
II. Accumulated Amortization					
Upto April 01, 2018	5,78,640	62,19,571	18,01,480	17,67,306	1,03,66,997
Depreciation expense for the period	64,516	7,60,092	2,84,094	1,32,650	12,41,351
Eliminated on disposal of assets	-	-	-	-	-
Upto March 31, 2019	6,43,156	69,79,662	20,85,574	18,99,956	1,16,08,348
III. Net Carrying Amount [I-II]					
As at March 31, 2019	1,19,899	16,77,880	2,42,041	2,07,952	22,47,772
As at March 31, 2018	1,84,415	24,37,971	3,98,371	3,08,234	33,28,991


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2020
Note 4 : Intangible Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Computer Software	1,53,238	3,81,935
Total	1,53,238	3,81,935

For the year ended March 31, 2020

	Description of Assets	Computer Software
I.	Gross Carrying Amount	
	As at April 01, 2019	13,17,147
	Additions	-
	Disposals	-
	Balance as at March 31, 2020	13,17,147
II.	Accumulated Amortization	
	Upto April 01, 2019	9,35,213
	Amortization expense for the period	2,28,697
	Eliminated on disposal of assets	-
	Upto March 31, 2020	11,63,909
III.	Net Carrying Amount (I-II)	
	As at March 31, 2020	1,53,238
	As at March 31, 2020	3,81,935

For the year 2018-19

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

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2020**Note 5 : Non-current Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in equity instruments (fully paid-up)		
(i) Unquoted Investments		
(a) Subsidiaries : [Refer note 36 (iii)]		
B.N.Rathi Comtrades Private Limited [10,00,000 (31.03.2019 : 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 (31.03.2019 : 5,00,000) equity shares of par value Rs. 10 each]	50,00,000	50,00,000
Total	1,50,00,000	1,50,00,000

Aggregate amount of quoted investments and market value thereof

Aggregate amount of unquoted investments

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

1,50,00,000

-

1,50,00,000

-

-

1,50,00,000

-

1,50,00,000

-

-

Note 6 : Non-current Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security Deposits		
- Security Deposits with Stock Exchanges / Clearing Houses	1,14,50,000	91,00,000
Total	1,14,50,000	91,00,000

Note 7 : Other Non-current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	3,16,281	3,15,011
Right to use asset	2,42,612	-
Total	5,58,892	3,15,011

Note 8 : Deferred Tax Asset (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation	14,22,939	17,73,652
Employee benefits	12,88,623	6,61,845
Total	27,11,562	24,35,497

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2020**Note 9 : Other Non-current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	14,74,864	14,74,864
Prepaid Expenses	4,19,176	15,26,315
Total	18,94,040	30,01,179

Note 10 : Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Investments in equity instruments (fully paid-up)</u>		
(i) Unquoted Investments		
(a) Other Investments:		
- 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
Total	7,00,000	90,28,960

Aggregate amount of quoted investments and market value thereof	-	-
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	-	-

Note 11 : Current Loans

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Security margin money with Stock Exchanges / Clearing Houses	10,60,00,000	20,14,00,000
Total	10,60,00,000	20,14,00,000

Note 12 : Trade Receivables (Refer Note 39)

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	-	-
Others	4,24,74,434	7,00,24,197
Total	4,24,74,434	7,00,24,197

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Notes to Financial Statements for the year ended March 31, 2020**Note 13 : Cash and Cash Equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Balance with Banks</i>		
- In current accounts	9,50,72,144	66,22,977
- Deposits with original maturity of less than 3 months	2,78,07,923	3,88,57,923
Cash on hand	56,920	23,194
Total	12,29,36,987	4,55,04,814

Note 14 : Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
(i) In earmarked account		
- Unpaid dividend accounts	14,72,032	15,69,399
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	40,50,000	-
- Remaining maturity for less than 12 months	23,99,25,000	14,08,75,000
Total	24,54,47,032	14,24,44,399

Note 15 : Other current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	2,17,82,817	18,20,274
Interest Accrued but not due	27,25,262	17,70,465
Short term loans & advances	9,529	10,000
Advances to employees	8,09,867	4,91,163
Right to use	9,33,567	-
Total	2,62,61,042	40,91,902

Note 16 : Current Tax asset (Net of provisions)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	73,95,259	68,48,547
Current Tax Liabilities	61,31,959	48,67,749
Total	12,63,300	19,80,798

Note 17 : Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	6,22,247	48,563
Balances with government authorities (Other than income taxes)	3,31,063	1,66,093
Other Current Assets	41,87,956	39,66,663
Total	51,41,266	41,81,319

**Notes to Financial Statements for the year ended March 31, 2020****Note 18 : Share Capital**

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Authorised:				
Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Issued, subscribed and fully paid:				
Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000
Total	50,40,000	5,04,00,000	50,40,000	5,04,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2020				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
Year ended March 31, 2019				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000

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

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

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

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
Equity shares of Rs.10/- each fully paid				
Hari Narayan Rathi	16,24,955	32.24%	16,24,955	32.24%
Chetan Rathi	4,98,534	9.89%	4,98,534	9.89%
Chanda Devi Rathi	3,12,406	6.20%	3,12,406	6.20%

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

**Notes to Financial Statements for the year ended March 31, 2020****Note 19 : Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019
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	10,56,06,476	10,29,12,249
Total	13,06,79,982	12,79,85,755

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 : Other non-current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability (Refer note 45)	2,67,830	-
Total	2,67,830	-

Note 21 : Non-Current Provisions (Refer Note 34)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits - Gratuity	52,26,816	23,42,526
Total	52,26,816	23,42,526

Note 22 : Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
From Banks - Secured (Bank Overdraft)	-	24,220
Total	-	24,220

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Notes to Financial Statements for the year ended March 31, 2020**Note 23 : Trade Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
Creditors - Clients (Refer Note 39 & 40)	37,02,49,866	29,86,21,738
Sharing of Brokerage payable	83,36,203	74,38,072
Outstanding Liabilities	18,46,188	70,685
Other Payables	36,41,415	46,02,114
Total	38,40,73,672	31,07,32,609

Note 24 : Current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability (Refer note 45)	9,70,382	-
Total	9,70,382	-

Note 25 : Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits (Refer Note 34)		
- Gratuity	4,05,279	2,03,030
Total	4,05,279	2,03,030

26 : Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividend	16,21,924	15,69,399
Statutory Remittances	38,82,803	26,16,458
Client Margin Deposits	55,08,563	63,64,745
Other Deposits - Sub brokers	13,09,232	5,70,082
Total	1,23,22,522	1,11,20,684

Note 27 : Revenue from Operations (Gross)

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Income from broking operations	18,12,21,287	16,87,61,089
Other operating revenue	4,86,21,646	3,97,82,654
Total	22,98,42,933	20,85,43,743

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Notes to Financial Statements for the year ended March 31, 2020**Note 28 : Other Income**

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Dividend Income	50,000	1,00,700
Interest income on deposits	2,54,03,600	1,77,69,986
Profit on sale of securities	-	-
Income on sale of investments in Mutual Funds	3,500	-
Profit on sale of investments in Mutual Funds	-	9,39,639
Excess provision written back	1,001	97,000
Total	2,54,89,430	1,89,07,325

Note 29 : Employee Benefit Expenses

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Salaries, allowances and wages	5,70,17,198	4,38,80,887
Contribution to provident and other funds	26,65,354	26,24,170
Staff welfare expenses	5,74,708	5,27,228
Total	6,02,57,620	4,70,32,285

Note 30 : Finance Costs

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Interest expense on:		
- Working Capital	3,23,913	3,50,836
- Term Loan	-	5,190
- Others	36,36,003	19,87,018
- Lease liability	1,00,271	-
- Delayed remittance of Income tax	34,069	-
Other borrowing costs	11,90,041	17,94,202
Total	52,84,296	41,37,246

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Notes to Financial Statements for the year ended March 31, 2020**Note 31 : Other Expenses**

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Operating expenses:		
Transaction charges	3,54,33,687	2,55,92,926
Other operating expenses	82,75,421	86,41,951
Others:		
Power and fuel	13,24,896	11,61,417
Rent [Refer Note 36, 37, 45]	19,89,770	26,90,230
Repairs and maintenance	15,51,402	9,32,394
Insurance	1,51,986	1,71,140
Rates and taxes	24,69,377	23,65,083
Communication	12,46,467	9,78,286
Travelling and conveyance	2,73,776	4,45,800
Printing and stationary	10,11,583	10,61,164
Business promotion	3,79,826	3,67,984
Donations	3,00,000	2,00,000
Loss on sale of securities	-	17,80,174
Legal and professional	12,80,037	17,58,956
Auditor's remuneration:		
- Statutory audit	2,20,000	1,72,500
- Internal audit	2,00,000	-
- Tax audit	70,000	70,000
- Certification	2,25,000	2,72,500
General and other administration expenses	32,09,014	36,26,670
Total	5,96,12,242	5,22,89,175


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Notes to Financial Statements for the year ended March 31, 2020
Note 32 : Income Tax Expenses

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	61,31,959	48,67,749
- Adjustments in respect of current income tax of previous year	-	-
	61,31,959	48,67,749
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(2,76,067)	2,68,299
	(2,76,067)	2,68,299
Income tax expense reported in the statement of profit or loss	58,55,892	51,36,048
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	2,33,09,409	1,67,14,658
Indian tax rate	25.17%	27.82%
Tax at the Indian tax rate	58,66,978	46,50,018
Effect of:		
Non-Deductible expenses for tax purposes	7,25,429	8,97,327
Tax exempt income	(12,585)	(28,015)
Income taxed at special rates	-	1,62,860
Deferred Tax	(2,76,067)	2,68,299
Others	(4,47,864)	(8,14,441)
Total Income Tax Expense	58,55,892	51,36,048

**Notes to Financial Statements for the year ended March 31, 2020****Note 33 : Contingent Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
i) Bank Guarantees	20,00,00,000	13,50,00,000
ii) Income Tax demad for AY 2011-2012 pending in appeal with ITAT, Hyderabad.	65,40,228	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, 2020	March 31, 2019
Current service cost	6,97,756	1,84,331
Interest cost on benefit obligation	1,93,751	2,17,179
Expected return on plan assets	(1,93,268)	(1,55,850)
Net actuarial loss/(gain) recognized in the year	26,12,217	(5,62,292)
Net benefit expense	33,10,457	(3,16,632)

Balance Sheet**Benefit liability**

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	56,32,095	25,45,556
Fair value of plan assets	(24,84,155)	(23,66,511)
Plan liability	31,47,939	1,79,045

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

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	25,45,556	27,14,734
Current service cost	6,97,756	1,84,331
Interest cost	1,93,751	2,17,179
Benefits paid	(2,47,327)	-
Actuarial gain/(losses) on obligation	24,42,358	(5,70,688)
Closing defined benefit obligation	56,32,095	25,45,556

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

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	23,66,511	16,77,182
Adjustment to opening balance	(4,438)	-
Expected return	1,93,268	1,55,850
Contributions by employer	3,46,000	5,41,876
Benefits paid	(2,47,327)	-
Actuarial (losses)/gains	(1,69,859)	(8,396)
Closing fair value of plan assets	24,84,155	23,66,511

**Notes to Financial Statements for the year ended March 31, 2020**

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

Particulars	March 31, 2020	March 31, 2019
Discount rate (%)	6.79%	8.00%
Expected rate of return on assets (%)	6.79%	8.00%
Salary escalation (%)	4.00%	4.00%
Attrition rate (%)	5.00%	5.00%

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 financial instruments and deferred tax assets are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

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

b) Transactions with related parties:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Paid:	9,60,000	9,60,000
- Chanda Devi Rathi	7,20,000	7,20,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration Paid:	93,00,000	78,00,000
- Hari Narayan Rathi	51,00,000	42,00,000
- Chetan Rathi	42,00,000	36,00,000


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Notes to Financial Statements for the year ended March 31, 2020

Dividend Paid:	52,74,838	31,35,623
- Hari Narayan Rath	32,49,910	19,20,666
- Chetan Rath	9,97,068	5,98,241
- Chanda Devi Rath	6,24,812	3,74,887
- Nisha Rath	4,03,048	2,41,829

Service Rendered – Brokerage Received:	28,488	1,25,358
- Hari Narayan Rath	10,484	1,332
- Chetan Rath	8,053	18,217
- Chanda Devi Rath	2,725	12,718
- Nisha Rath	2,070	10,071
- Govind Narayan Rath	3,464	5,196
- Anuradha Pasari	1,389	6,219
- Hari Narayan Rath HUF	293	72,144
- Chetan Rath HUF	9	-

Sharing of Expenses:	14,58,428	82,00,350
- B. N. Rath Comtrade Private Limited	14,58,428	82,00,350

Sharing of Expenses Recovered:	14,58,428	82,00,350
- B. N. Rath Comtrade Private Limited	14,58,428	82,00,350

c) Related party balances:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current investments:	1,50,00,000	1,50,00,000
- B. N. Rath Industries Private Limited	50,00,000	50,00,000*
- B. N. Rath Comtrade Private Limited	1,00,00,000	1,00,00,000
Rent Deposit:	11,00,000	11,00,000
- Chanda Devi Rath	10,00,000	10,00,000
- Govind Narayan Rath HUF	1,00,000	1,00,000

**Out of which Rs. 45,00,000 invested by B.N. Rath 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, 2020****37. Leases:****Operating Lease****Assets taken on cancellable operating lease**

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating Lease - Cancellable	26,90,230	25,78,800
Total	26,90,230	25,78,800

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after taxation as per statement of profit and loss (for basic EPS)	1,74,53,517	1,15,78,611
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	1,74,53,517	1,15,78,611

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	50,40,000	50,40,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Basic (Rs.)	3.46	2.30
- Diluted (Rs.)	3.46	2.30

39. Balance Confirmations

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

40. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2020 and March 31, 2019 in the financial statements based on information received and available with the company.

**Notes to Financial Statements for the year ended March 31, 2020**

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 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.

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: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2020	March 31, 2019
Fair Value Hierarchy	1	1
Financial Assets		
Listed Equity Instruments	-	-
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets - Security Deposits	2,20,99,098	21,35,285
Financial Liabilities		
Borrowings	-	24,220


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Notes to Financial Statements for the year ended March 31, 2020
iii. Financial Instruments by category

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

Particulars	31st March, 2020			31st March, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity investments	-	-	-	-	-	-
Other investments	-	-	1,57,00,000	-	-	1,57,00,000
Trade receivables	-	-	4,24,74,434	-	-	7,00,24,197
Loans	-	-	11,74,50,000	-	-	21,05,00,000
Cash and cash equivalents	-	-	12,29,36,987	-	-	4,55,04,814
Other bank balances	-	-	24,54,47,032	-	-	14,24,44,399
Others	-	2,20,99,098	-	-	21,35,285	-
Total	-	2,20,99,098	54,40,08,453	-	21,35,285	48,41,73,410
Financial Liabilities						
Borrowings	-	-	-	-	24,220	-
Trade Payables	-	-	38,40,73,672	-	-	31,07,32,609
Total	-	-	38,40,73,672	-	24,220	31,07,32,609

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, 2020****43. Financial Instruments Risk Management****i. Market Risk**

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

a. Interest rate risk

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

b. Price Risk

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

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, 2020	March 31, 2019
Past due not impaired:		
0-30 Days	4,20,34,973	5,28,86,350
31-90 Days	4,40,192	3,57,523
91-180 Days	-	1,67,80,324
Greater than 180 Days	-	-
Total	4,24,74,434	7,00,24,197

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.

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Notes to Financial Statements for the year ended March 31, 2020

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2020</u>				
Borrowings	-	-	-	-
Trade Payables	38,40,73,672	-	-	38,40,73,672
Total	31,07,56,827	-	-	31,07,56,827
<u>March 31, 2018</u>				
Borrowings	24,220	-	-	24,220
Trade Payables	31,07,32,609	-	-	31,07,32,609
Total	31,07,56,829	-	-	31,07,56,829

44. Capital Risk Management

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

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

Particulars	31st March, 2020	31st March, 2019
Non-Current Borrowings	-	-
Current Borrowings	-	24,220
Total Debt	-	24,220
As a percentage of total capital	0.00%	0.01%
Equity	18,10,79,982	17,83,85,755
As a percentage of total capital	100%	99.99%
Total Capital (Debt and Equity)	18,10,79,982	17,84,09,975

**Notes to Financial Statements for the year ended March 31, 2020****45. IND AS 116 Leases****Nature of the effect of adoption of Ind AS 116**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 retrospectively with the cumulative effect of initially applying the standard at the date of initial application and applied the Standard to its leases on a prospective basis. The adoption of the standard did not have any material impact to the financial statements. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value (low-value assets).

Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for Land and Building. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability.

In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from April 01, 2019 and accordingly carrying amount of lease assets has been reclassified as right-of-use assets.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease

**Notes to Financial Statements for the year ended March 31, 2020**

liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The operating lease commitments as of March 31, 2019 reconciled with lease liabilities as at April 01, 2019 as follows:

Particulars	Amount [In Lakhs]
Operating lease commitments as on March 31, 2019	22.68
Weighted average incremental borrowing rate as at April 01, 2019	6.25%
Discounted operating lease commitments as at April 01, 2019	14.51
Add: Commitments relating to lease previously classified as finance lease	-
Lease liabilities as at April 01, 2019	14.51

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 01, 2019 is primarily due to inclusion of lease commitments for the cancellable term of the leases and reduction due to discounting of lease liabilities as per the requirement of Ind AS 116.

The Company has applied the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the exemption not to recognize right-of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Applied the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application.

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/(decrease)) is as follows:

Particulars	Amount [In lakhs]
Assets	
Right of use asset	14.51
Increase in Assets	14.51
Liabilities	
Financial Liabilities [Current + Non-current]	14.51
Increase in liabilities	14.51

**Notes to Financial Statements for the year ended March 31, 2020****Following is the movement in lease liabilities during the year:**

Particulars	Amount [In lakhs]
As at April 01, 2019	-
Addition on account on adoption of IND AS 116	14.51
Addition during the year	6.24
Interest Expense	1.00
Payments	(9.37)
As at March 31, 2020	12.38

Following are the amounts recognised in the statement of profit and loss:

Particulars	Amount [In lakhs]
Depreciation expense of right of use asset	8.98
Interest expense on lease liabilities	1.00
Rent expense – Short term leases and leases of low value assets	19.89
Total amount recognised in statement of profit and loss	29.87

46. Impact of Global Health Pandemic - COVID-19

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

The Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that situation as well as its assessment is continuously evolving, and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Company's management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

In assessing the recoverability of receivables and other financial assets, Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

47. Standards issued but not effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

**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, 2020**48. Event occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of June 22, 2020, there were no subsequent events and transactions to be recognised or reported that are not already disclosed.

49. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Sd/-
Harinarayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 22.06.2020

Sd/-
Sabitha Reddy
Company Secretary

Sd/-
M.V. Rao
Compliance Officer



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

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

Report on the Consolidated Ind AS Financial Statements

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, 2020, 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, 2020, 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 the mall 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, 2020 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, 2020 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

Sd/-

T. Bharadwaj
Partner

Place : Hyderabad
Date : 22.06.2020

Membership No. 201042
UDIN : 20201042AAAAAS2174



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, 2020, 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, 2020, 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

Sd/-
T. Bharadwaj
Partner

Place : Hyderabad
Date : 22.06.2020

Membership No. 201042
UDIN : 20201042AAAAAS2174

**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, 2020	As at March 31, 2019
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) 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.

d) 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.

e) Property, plant and equipment:

i. Recognition and initial measurement:

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits



associated with the item will flow to the group. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

iv. Transition to Ind AS:

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

f) Intangible Assets:

i. Recognition and initial measurement:

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

ii. Amortization and estimated useful lives:

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

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

iii. Transition to Ind AS:

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

g) Impairment of assets:

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and



loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

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

h) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-Use Assets

The Company recognises right-of-use assets ("RoU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (g) Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments)



or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities". Lease liabilities has been presented under the head "Other Financial Liabilities".

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i) 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 financials 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) 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.

i) Income Taxes:

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

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

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

m) 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.

n) 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.

o) 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.

p) Earnings per share:

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

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


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Consolidated Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	25,24,262	23,40,946
(b) Intangible assets	4	1,53,238	3,81,935
(c) Financial Assets			
- Investments	5	20,00,000	-
- Loans	6	1,79,50,000	1,56,00,000
- Other non-current financial assets	7	5,58,892	3,15,011
(d) Deferred tax assets (Net)	8	30,60,980	27,82,220
(e) Other non-current assets	9	18,94,040	30,01,179
Total Non-Current Assets [A]		2,81,41,413	2,44,21,291
2 Current Assets			
(a) Financial Assets			
- Investments	10	1,50,13,534	7,00,000
- Loans	11	10,97,50,000	20,91,12,962
- Trade receivables	12	4,24,74,434	11,33,95,981
- Cash and cash equivalents	13	12,29,65,509	3,81,27,333
- Bank balances other than above	14	26,31,97,032	21,95,52,322
- Other current financial assets	15	2,62,61,042	40,91,902
(b) Current tax asset [Net of provision]	16	14,65,129	19,83,841
(c) Other current assets	17	54,49,504	51,79,600
Total Current Assets [B]		58,65,76,183	59,21,43,941
TOTAL ASSETS [A+B]		61,47,17,596	61,65,65,232
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	18	5,04,00,000	5,04,00,000
(b) Other Equity	19	16,09,85,961	15,87,29,850
Total Equity [A]		21,13,85,961	20,91,29,850
2 Non-Current Liabilities			
(a) Financial Liabilities			
- Other non current financial liabilities	20	2,67,830	-
(b) Provisions	21	52,26,816	23,42,526
Total Non-Current Liabilities [B]		54,94,646	23,42,526
3 Current Liabilities			
(a) Financial Liabilities			
- Borrowings	22	58,993	24,787
- Trade payables	23	38,40,79,813	39,20,39,756
- Other current financial liabilities	24	9,70,382	
(b) Provisions	25	4,05,279	2,03,030
(c) Current tax liability [Net of advance tax]	26	-	44,327
(d) Other current liabilities	27	1,23,22,522	1,27,80,957
Total Current Liabilities [C]		39,78,36,989	40,50,92,856
TOTAL EQUITY AND LIABILITIES [A+B+C]		61,47,17,596	61,65,65,232
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 50		

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

Sd/-

T. Bharadwaj

Partner

Membership No. 201042

Sd/-

Laxminiwas Sharma

Chairman

DIN : 00010899

Sd/-

Harinarayan Rathi

Managing Director

DIN : 00010968

Sd/-

Chetan Rathi

Executive Director-cum-CFO

DIN : 00536441

Sd/-

Sabitha Reddy

Company Secretary

Sd/-

M.V. Rao

Compliance Officer

Place : Hyderabad

Date : 22.06.2020

**B.N. RATHI SECURITIES LIMITED**

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Consolidated Statement of Profit & Loss for the year ended 31st March, 2020

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I REVENUE			
Revenue from Operations (Gross)	28	23,67,08,627	25,73,20,990
Other Income	29	2,75,80,206	2,37,08,536
TOTAL REVENUE [I]		26,42,88,833	28,10,29,526
II EXPENSES			
Employee benefit expenses	30	6,28,46,405	5,55,83,389
Finance costs	31	54,79,572	44,47,297
Depreciation and amortization expense	3 & 4	21,32,764	14,66,955
Other expenses	32	6,33,99,744	7,48,93,251
Share of brokerage		10,75,61,750	12,52,79,586
TOTAL EXPENSES [II]		24,14,20,235	26,16,70,478
III Profit Before Tax		2,28,68,598	1,93,59,048
IV Tax Expense:			
- Current tax	33	61,31,959	67,04,967
- Adjustment of current tax relating to earlier years	33	-	-
- Deferred tax credit	33	(2,78,762)	2,98,525
V Profit for the year		1,70,15,401	1,23,55,556
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(26,12,217)	5,62,292
- Remeasurements of financial assets		4,902	(229)
- Recognition of borrowings using effective interest rate		-	(2,440)
Other comprehensive income for the year, net of tax		1,44,08,086	1,29,15,179
VII Earnings per equity share Rs. 10/- each fully paid			
- Basic	39	3.38	2.45
- Diluted	39	3.38	2.45
Corporate information	1		
summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 50		

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Sd/-
Harinarayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 22.06.2020

Sd/-
Sabitha Reddy
Company Secretary

Sd/-
M.V. Rao
Compliance Officer


B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	2,28,68,598	1,93,59,048
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	21,32,764	14,66,955
Interest expense other than lease liability	40,16,307	23,62,986
Interest expense on account of lease liability	1,00,271	-
Remeasurement of lease	(9,37,146)	-
Loss on sale of investment in LLP	-	45,00,000
Profit on sale of property, plant and equipment	(3,500)	-
Excess provision written back	(1,001)	(1,39,771)
Remeasurement of post employee benefits	(26,12,217)	5,62,292
Profit on sale of securities	(31,877)	-
Profit on sale of investments in mutual funds	-	(10,56,001)
Dividend income	(50,000)	(1,00,700)
Interest income	(2,74,22,767)	(2,22,35,758)
Cash generated before working capital changes	(19,40,568)	47,19,050
Movements in working capital:		
Increase/(Decrease) in trade payables	(79,59,943)	(69,91,146)
Increase/(Decrease) in other current liabilities	(4,57,434)	44,442
Increase/(Decrease) in long term provisions	28,84,290	(2,25,618)
Increase/(Decrease) in short term provisions	2,02,249	56,440
(Increase)/Decrease in trade receivables	7,09,21,547	(19,31,875)
(Increase)/Decrease in other non-current financial assets	3,633	65,369
(Increase)/Decrease in non-current loans	(23,50,000)	30,00,000
(Increase)/Decrease in current loans	9,93,62,962	(3,64,36,128)
(Increase)/Decrease in other non-current assets	11,07,139	(24,992)
(Increase)/Decrease in other current financial assets	(2,12,35,573)	28,65,716
(Increase)/Decrease in other current assets	(2,69,904)	8,89,724
Cash generated from operations	14,02,68,398	(3,39,69,018)
Income taxes paid	(56,57,573)	(74,44,000)
Net cash flow (used in)/from operating activities (A)	13,46,10,824	(4,14,13,018)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets	(11,88,478)	(6,51,516)
Net (Purchase)/Sale of current investments	(1,42,81,653)	93,84,961
(Investment)/Redemption of bank deposits	(4,36,44,710)	(10,19,45,188)
Proceeds from sale of property, plant and equipment	3,500	-
Dividend received	50,000	1,00,700
Interest received	2,74,22,767	2,22,35,758
Net cash flow (used in)/from investing activities [B]	(3,16,38,573)	(7,08,75,285)



B.N. RATHI SECURITIES LIMITED

L65993TG1985PLC005838

(All amounts in Indian Rupees, unless otherwise stated)

C. CASH FLOWS FROM FINANCING ACTIVITIES (Repayment of)/Proceeds from short term borrowings (Investment)/redemption in debentures Dividends paid on equity shares and tax on equity dividend paid Interest paid Net cash flow (used in)/from financing activities [C] D. Net increase/(decrease) in cash and cash equivalents [A+B+C] E. Cash and cash equivalents at the beginning of the year at the end of the year Components of cash and cash equivalents Balance with banks - In current accounts - Deposits with original maturity of less than 3 months Cash on hand Less: Bank overdraft Cash and cash equivalents at the end of the year	13	-	(3,96,200)
		(20,00,000)	-
		(1,21,51,974)	(72,91,148)
		(40,16,307)	(23,62,986)
		(1,81,68,281)	(1,00,50,334)
		8,48,03,970	(12,23,38,637)
		3,81,02,546	16,04,41,183
		12,29,06,516	3,81,02,546
		9,50,92,659	1,05,97,230
		2,78,07,923	2,75,00,000
	2(n)	64,927	30,103
		(58,993)	(24,787)
		12,29,06,516	3,81,02,546
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 50		

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

Sd/-
T. Bharadwaj
 Partner
 Membership No. 201042

Sd/-
Laxminiwas Sharma
 Chairman
 DIN : 00010899

Sd/-
Harinarayan Rathi
 Managing Director
 DIN : 00010968

Sd/-
Chetan Rathi
 Executive Director-cum-CFO
 DIN : 00536441

Place : Hyderabad
 Date : 22.06.2020

Sd/-
Sabitha Reddy
 Company Secretary

Sd/-
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, 2020**Statement of Changes in Equity for the year ended March 31, 2020****A. Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	5,04,00,000	5,04,00,000

B. Other Equity

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Movement in other equity is as follows:		
I. Capital Reserve	14,90,400	14,90,400
II. Securities Premium	2,26,16,151	2,26,16,151
III. General Reserve	11,46,655	11,46,655
IV. Retained Earnings		
(i) Opening Balance	13,34,76,644	12,78,52,613
(ii) Profit for the year	1,70,15,401	1,23,55,556
(iii) Other comprehensive income	(26,07,315)	5,59,623
(iv) Proposed dividend and tax on the same	(1,21,51,974)	(72,91,148)
	13,57,32,755	13,34,76,644
Total	16,09,85,961	15,87,29,850

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
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DIN : 00536441

Place : Hyderabad
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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, 2020
Note 3: Property, plant and equipment

Particulars	As at March 31, 2020	As at March 31, 2019
Furniture and Fittings	2,68,875	1,56,768
Motor Vehicles	12,40,913	16,95,063
Computers and Data Processing Units	3,72,084	2,56,964
Office Equipment	6,42,391	2,32,152
Total	25,24,262	23,40,946

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
For the year 2019-20					
I. Gross Block					
Opening Balance	29,62,015	87,24,004	29,00,712	25,91,359	1,71,78,090
Additions	1,90,489	-	3,97,763	6,00,225	11,88,478
Disposals	-	-	-	-	-
Balance as at March 31, 2020	31,52,504	87,24,004	32,98,475	31,91,584	1,83,66,568
II. Accumulated Depreciation					
Opening Balance	28,05,247	70,28,941	26,43,748	23,59,207	1,48,37,144
Depreciation expense for the year	78,382	4,54,150	2,82,643	1,89,986	10,05,162
Eliminated on disposal of assets	-	-	-	-	-
Balance as at March 31, 2020	28,83,629	74,83,091	29,26,392	25,49,193	1,58,42,305
III. Net Block (I-II)					
Carrying value as at March 31, 2020	2,68,875	12,40,913	3,72,084	6,42,391	25,24,262
Carrying value as at March 31, 2019	1,56,768	16,95,063	2,56,964	2,32,152	23,40,946

For the year 2018-19					
I. Gross Block					
Opening Balance	29,62,015	87,24,004	27,72,948	25,58,991	1,70,17,958
Additions	-	-	1,27,764	32,368	1,60,132
Disposals	-	-	-	-	-
Balance as at March 31, 2019	29,62,015	87,24,004	29,00,712	25,91,359	1,71,78,090
II. Accumulated Depreciation					
Opening Balance	27,27,854	62,62,850	23,34,072	22,18,540	1,35,43,316
Depreciation expense for the year	77,393	7,66,091	3,09,676	1,40,666	12,93,827
Eliminated on disposal of assets	-	-	-	-	-
Balance as at March 31, 2019	28,05,247	70,28,941	26,43,748	23,59,207	1,48,37,144
III. Net Block (I-II)					
Carrying value as at March 31, 2019	1,56,768	16,95,063	2,56,964	2,32,152	23,40,947
Carrying value as at March 31, 2018	2,34,161	24,61,154	4,38,876	3,40,451	34,74,642


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Notes to Financial Statements for the year ended March 31, 2020
Note 4 : Intangible Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Computer Software	1,53,238	3,81,935
Total	1,53,238	3,81,935

For the year 2019-20

	Description of Assets	Computer Software
I.	Gross Block	
	Opening Balance	13,17,147
	Additions	-
	Disposals	-
	Balance as at March 31, 2020	13,17,147
II.	Accumulated Amortization	
	Opening Balance	9,35,213
	Amortization expense for the year	2,28,697
	Eliminated on disposal of assets	-
	Balance as at March 31, 2020	11,63,909
III.	Net Block (I-II)	
	Carrying Value As at March 31, 2020	1,53,238
	Carrying Value As at March 31, 2019	3,81,935

For the year 2018-19

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

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Notes to Financial Statements for the year ended March 31, 2020**Note 5 : Non-current Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Unquoted Investments		
- Propspace Square Private Limited [4 (31.03.2019:Nil) debentures of par values Rs. 5,00,000 each]	20,00,000	-
Total	20,00,000	-

Aggregate amount of quoted investments and market value thereof

-

-

Aggregate amount of unquoted investments

20,00,000

-

Aggregate amount of impairment in the value of investments

-

-

Aggregate amount of fair value changes in the value of investments

Investments carried at cost

20,00,000

-

Investments carried at amortized cost

-

-

Investments carried at fair value through profit and loss

-

-

Note 6 : Non-current Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good Security Deposits		
- Security Deposits with Stock Exchanges/Clearing Houses	1,79,50,000	1,56,00,000
Total	1,79,50,000	1,56,00,000

Note 7 : Other Non-current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	3,16,281	3,15,011
Right to use asset	2,42,612	-
Total	5,58,892	3,15,011

Note 8 : Deferred Tax Assets (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation	17,72,357	21,20,375
Employee benefits	12,88,623	6,61,845
Total	30,60,980	27,82,220

Note 9 : Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	14,74,864	14,74,864
Prepaid expenses	4,19,176	15,26,315
Total	18,94,040	30,01,179


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Notes to Financial Statements for the year ended March 31, 2020
Note 10 : Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Investments in equity instruments (fully paid-up)</u>		
(i) Quoted Investments		
<i>Quoted investments in shares and securities (valued at fair value through profit and loss account)</i>		
Investment in shares	1,34,67,986	-
<i>Quoted investments in mutual funds (valued at cost)</i>		
- Birla Sun Life Mutual Fund [2715.95 (31.03.2019: Nil)]	8,45,548	-
(ii) Unquoted Investments		
(a) Other Investments:		
- Mahesh Vidya Bhavan Limited [20,000 (31.03.2019: 20,000) equity shares of face value Rs. 10 each]	2,00,000	2,00,000
- Sevenhills Co-op Bank Limited [5,000 (31.03.2019: 5,000) equity shares of face value Rs. 10 each]	5,00,000	5,00,000
Total	1,50,13,534	7,00,000
Aggregate amount of quoted investments & market value thereof	1,43,13,534	-
Aggregate amount of unquoted investments	7,00,000	7,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	15,45,548	7,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	1,34,67,986	-

Note 11 : Current Loans

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Security margin money with Stock Exchanges/ Clearing Houses	10,65,00,000	20,33,37,962
Margin with exchanges	32,50,000	52,50,000
Staff Advances	-	25,000
Loan given to BNR Food Specialities LLP	-	5,00,000
Total	10,97,50,000	20,91,12,962


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Notes to Financial Statements for the year ended March 31, 2020
Note 12 : Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	-	4,33,01,322
Others (Refer Note 40)	4,24,74,434	7,00,94,659
Total	4,24,74,434	11,33,95,981

Note 13 : Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Balance with Banks</i>		
- In current accounts	9,50,92,659	1,05,97,230
- Deposits with original maturity of less than 3 months	2,78,07,923	2,75,00,000
Cash on hand	64,927	30,103
Total	12,29,65,509	3,81,27,332

Note 14 : Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
(i) In earmarked accounts		
- Unpaid dividend accounts	14,72,032	15,69,399
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	40,50,000	36,07,923
- Remaining maturity for less than 12 months	25,76,75,000	21,43,75,000
Total	26,31,97,032	21,95,52,322

Note 15 : Other current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	2,17,82,817	18,20,274
Interest Accrued but not due	27,25,262	17,70,465
Advances to related parties	9,529	10,000
Advances to employees	8,09,867	4,91,163
Right to use (Refer Note 46)	9,33,567	-
Total	2,62,61,042	40,91,902

Note 16 : Current Tax asset (Net of provision)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	75,97,088	68,64,855
Current Tax Liabilities	61,31,959	48,81,014
Total	14,65,129	19,83,841

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Notes to Financial Statements for the year ended March 31, 2020**Note 17 : Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	6,22,247	2,31,510
Balances with government authorities (Other than income taxes)	4,18,808	2,17,369
Interest accrued on deposits with banks and others	2,20,493	7,64,058
Other Current Assets	41,87,956	39,66,663
Total	54,49,504	51,79,600

Note 18 : Share Capital

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Authorised: Equity shares of Rs.10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Issued, subscribed and fully paid: Equity shares of Rs.10 each	50,40,000	5,04,00,000	50,40,000	5,04,00,000
Total	50,40,000	5,04,00,000	50,40,000	5,04,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2020				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	5,04,00,000	-	-	5,04,00,000
Year ended March 31, 2019				
- 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.

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Notes to Financial Statements for the year ended March 31, 2020**(c) Details of shares held by each shareholder holding more than 5% shares***

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
Equity shares of Rs.10/- each fully paid				
Hari Narayan Rathi	16,24,955	32.24%	16,24,955	32.24%
Chetan Rathi	4,98,534	9.89%	4,98,534	9.89%
Chanda Devi Rathi	3,12,406	6.20%	3,12,406	6.20%

*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, 2020	As at March 31, 2019
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	13,57,32,755	13,34,76,644
Total	16,09,85,961	15,87,29,850

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, 2020**Note 20 : Non-current borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
Term Loan from Banks		
Security		
- HDFC Bank Limited	-	-
Lease liability (Refer Note 46)	2,67,830	-
Total	2,67,830	-

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, 2020	As at March 31, 2019
Provision for Employee Benefits		
- Gratuity (Refer Note 35)	52,26,816	23,42,526
Total	52,26,816	23,42,526

Note 22 : Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Bank overdraft		
- Secured	58,993	24,787
Total	58,993	24,787

Note 23 : Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Creditors - clients [Refer Note 40 & 41]	37,02,49,866	33,38,40,037
Creditors - NSEL	1,766	4,33,03,089
Sharing of Brokerage payable	83,36,203	91,56,903
Creditors - Suppliers and other services	4,375	10,66,928
Outstanding Liabilities	18,46,188	70,685
Other Payables	36,41,415	46,02,114
Total	38,40,79,813	39,20,39,756

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Notes to Financial Statements for the year ended March 31, 2020**Note 24 : Current Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities (Refer Note 46)	9,70,382	-
Total	9,70,382	-

Note 25 : Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
- Gratuity (Refer Note 34)	4,05,279	2,03,030
Total	4,05,279	2,03,030

Note 26 : Current Tax Liability (Net of advance tax)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	-	17,79,627
Current Tax Liabilities	-	18,23,953
Total	-	44,327

Note 27 : Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividend	16,21,924	15,69,399
Statutory Remittances	38,82,803	37,51,948
Client Margin Deposits	55,08,563	68,56,739
Other Deposits - Sub brokers	13,09,232	6,02,871
Total	1,23,22,522	1,27,80,957

Note 28 : Revenue from Operations (Gross)

Particulars	As at March 31, 2020	As at March 31, 2019
Income from broking operations	18,61,60,984	20,31,96,024
Other operating revenue	5,05,47,643	5,41,24,966
Total	23,67,08,627	25,73,20,990


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Notes to Financial Statements for the year ended March 31, 2020
Note 29 : Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend income	50,000	1,00,700
Interest income on deposits	2,73,69,646	2,22,35,758
Interest	53,121	-
Commission income	-	83,000
Profit on sale of Property, plant and equipment	3,500	-
Profit on sale of securities	31,877	-
Bad Debts Recovered	-	22,951
Miscellaneous income	71,061	70,355
Excess provision written back	1,001	1,39,771
Profit on sale of investments in Mutual Funds	-	10,56,001
Total	2,75,80,206	2,37,08,536

Note 30 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, allowances and wages	5,96,06,343	5,24,31,991
Contribution to provident and other funds	26,65,354	26,24,170
Staff welfare expenses	5,74,708	5,27,228
Total	6,28,46,405	5,55,83,389

Note 31 : Finance Costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on:		
- Working Capital	3,80,304	3,70,778
- Term Loan	-	5,190
- Others	36,36,003	19,87,018
- Lease liability	1,00,271	-
- Delayed remittance of Income tax	46,483	-
Other borrowing costs	13,16,511	20,84,311
Total	54,79,572	44,47,297


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Notes to Financial Statements for the year ended March 31, 2020
Note 32 : Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating expenses:		
Transaction charges	3,73,54,719	3,80,19,503
Other operating expenses	85,75,421	1,02,59,797
Others:		
Power and fuel	14,27,555	16,08,790
Rent [Refer Note 37, 38, 46]	22,88,270	31,61,230
Repairs and maintenance	19,89,718	12,72,031
Insurance	1,56,345	1,82,273
Rates and taxes	25,23,468	25,17,049
Membership and subscription fees	1,05,000	-
Communication	14,08,169	20,32,202
Travelling and conveyance	2,82,052	5,35,952
Printing and stationary	10,11,584	10,61,166
Business promotion	3,94,826	4,15,032
Donations	3,00,000	4,46,000
Loss on sale of securities	-	17,80,174
Loss on sale of investments in LLP	-	45,00,000
Advertisement Expenses	-	7,500
Legal and professional	13,61,237	22,67,456
Auditor's remuneration:		
- Statutory audit	2,31,800	2,87,500
- Internal audit	2,00,000	-
- Tax audit	70,000	70,000
- Certification	2,25,000	2,72,500
General and other administration expenses	34,94,580	41,97,096
Total	6,33,99,744	7,48,93,251


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Notes to Financial Statements for the year ended March 31, 2020
Note 33 : Income Tax Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) <u>Major components of income tax expense:</u>		
(i) Current Income Tax		
- Current income tax charge	61,31,959	67,04,967
- Adjustments in respect of current income tax of previous year	-	-
	61,31,959	67,04,967
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(2,78,762)	2,98,525
	(2,78,762)	2,98,525
Income tax expense reported in the	58,53,197	70,03,492
(b) <u>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</u>		
Profit/(Loss) before tax from continuing operations	2,33,09,409	1,93,59,049
Indian tax rate	27.82%	27.55%
Tax at the Indian tax rate	58,66,978	53,37,561
Effect of:		
Non-Deductible expenses for tax purposes	7,25,429	21,44,931
Tax exempt income	(12,585)	(28,015)
Income taxed at special rates	-	1,81,012
Deferred Tax	(2,78,762)	2,98,525
Others	(4,47,864)	(9,30,522)
Total Income Tax Expense	58,53,197	70,03,492

**Notes to Financial Statements for the year ended March 31, 2020****34. Contingent liabilities :**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Guarantees	20,00,00,000	16,15,00,000
Income tax demand for AY 2011-2012 pending in appeal with ITAT Hyderabad	65,40,228	65,40,228

35. 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, 2020	March 31, 2019
Current service cost	6,97,756	1,84,331
Interest cost on benefit obligation	1,93,751	2,17,179
Expected return on plan assets	(1,93,268)	(1,55,850)
Net actuarial loss/(gain) recognized in the year	26,12,217	(5,62,292)
Net benefit expense	33,10,457	(3,16,632)

Balance Sheet**Benefit liability**

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	56,32,095	25,45,556
Fair value of plan assets	(24,84,155)	(23,66,511)
Plan liability	31,47,939	1,79,045

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

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	25,45,556	27,14,734
Current service cost	6,97,756	1,84,331
Interest cost	1,93,751	2,17,179
Benefits paid	(2,47,327)	-
Actuarial gain/(losses) on obligation	24,42,358	(5,70,688)
Closing defined benefit obligation	56,32,095	25,45,556

**Notes to Financial Statements for the year ended March 31, 2020****Changes in the fair value of plan assets are as follows:**

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	23,66,511	16,77,182
Adjustment to opening balance	(4,438)	-
Expected return	1,93,268	1,55,850
Contributions by employer	3,46,000	5,41,876
Benefits paid	(2,47,327)	-
Actuarial (losses)/gains	(1,69,859)	(8,396)
Closing fair value of plan assets	24,84,155	23,66,511

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

Particulars	March 31, 2020	March 31, 2019
Discount rate (%)	6.79%	8.00%
Expected rate of return on assets (%)	6.79%	8.00%
Salary escalation (%)	4.00%	4.00%
Attrition rate (%)	5.00%	5.00%

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.

36. 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, 2020
Information about the primary business segments

Particulars	For the year ended 31 March, 2020			For the year ended 31 March, 2019		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	23,67,08,627	-	23,67,08,627	25,73,20,990	-	25,73,20,990
Inter-segment revenue	-	-	-	-	-	-
	23,67,08,627	-	23,67,08,627	25,73,20,990	-	25,73,20,990
Segment Result	29,56,417	(55,689)	29,00,728	61,21,917	(45,57,153)	15,64,764
Interest Expense	54,79,572	-	54,79,572	44,47,297	-	44,47,297
Operating Income	(25,23,155)	(55,689)	(25,78,844)	16,74,620	(45,57,153)	(28,82,533)
Other Income			2,75,80,206			2,37,08,536
Profit before taxes			2,28,68,598			1,93,59,048
Tax expenses			58,53,197			70,03,492
Profit for the year			1,70,15,401			1,23,55,556
Segment Assets	61,23,86,382	8,66,086	61,32,52,468	61,36,64,094	9,17,297	61,45,81,391
Unallocable Assets	14,65,129	-	14,65,129	19,80,798	3,043	19,83,841
Total Assets	61,38,51,510	8,66,086	61,47,17,596	61,56,44,892	9,20,340	61,65,65,232
Segment Liabilities	61,47,17,596	-	61,47,17,596	61,65,20,905	-	61,65,20,905
Unallocable liabilities	-	-	-	44,327	-	44,327
Total Liabilities	61,47,17,596	-	61,47,17,596	61,65,65,232	-	61,65,65,232
Other Information						
Capital expenditure-Tangible	26,77,500	-	26,77,500	27,22,881	-	27,22,881
Depreciation and amortisation	21,32,764	-	21,32,764	14,66,955	-	14,66,955
Unallocated amortisation	-	-	-	-	-	-
Total Depreciation and amortisation	21,32,764	-	21,32,764	14,66,955	-	14,66,955

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

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

**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, 2020**b) Transactions with related parties:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Paid:	12,24,000	12,24,000
- Chanda Devi Rathi	9,84,000	9,84,000
- Govind Narayan Rathi HUF	2,40,000	2,40,000
Remuneration Paid:	100,20,000	85,20,000
- Hari Narayan Rathi	51,00,000	42,00,000
- Chetan Rathi	42,00,000	36,00,000
- Nisha Rathi	7,20,000	7,20,000
Dividend Paid:	5,274,838	3,135,623
- Hari Narayan Rathi	3,249,910	1,920,666
- Chetan Rathi	997,068	598,241
- Chanda Devi Rathi	624,812	374,887
- Nisha Rathi	403,048	241,829
Service Rendered – Brokerage Received:		125,897
- Hari Narayan Rathi	10,484	1,332
- Chetan Rathi	8,053	18,217
- Chanda Devi Rathi	2,725	12,718
- Nisha Rathi	2,070	10,071
- Govind Narayan Rathi	3,464	5,196
- Anuradha Pasari	1,389	6,219
- Hari Narayan Rathi HUF	293	72,144
- Chetan Rathi HUF	9	-
Loan advanced	-	5,00,000
- BNR Food Specialities LLP	-	5,00,000
Receipt of loan advanced	5,00,000	-
- BNR Food Specialities LLP	5,00,000	-
Investments disposed:	-	45,00,000
- BNR Food Specialities LLP*	-	45,00,000
<i>*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.</i>		

c) Related party balances:

Rent Deposit:	16,00,000	16,00,000
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	1,00,000	1,00,000

* 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, 2020****38. 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, 2020	For the year ended March 31, 2019
Operating Lease - Cancellable	22,88,270	31,61,230
Total	22,88,270	31,61,230

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after taxation as per statement of profit and loss (for basic EPS)	1,44,08,086	1,29,15,179
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	1,44,08,086	1,29,15,179

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of weighted average equity shares considered for calculating of basic EPS	50,40,000	50,40,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	50,40,000	50,40,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Basic (Rs.)	3.38	2.45
- Diluted (Rs.)	3.38	2.45

40. 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.

41. Due to Micro and Small Enterprises

The Group has no dues to Micro and Small Enterprises as at March 31, 2020 and March 31, 2019 in the financial statements based on information received and available with the group.

**Notes to Financial Statements for the year ended March 31, 2020**

42. 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.

43. 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, 2020	March 31, 2019
Fair Value Hierarchy	1	1
Financial Assets		
Listed Equity Instruments	1,34,67,986	-
Investments in Mutual Funds	8,45,548	-
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets - Security Deposits	2,20,99,098	21,35,285
Other Investments	7,00,000	7,00,000
Financial Liabilities		
Borrowings	58,993	24,787


Notes to Financial Statements for the year ended March 31, 2020
iii. Financial Instruments by category

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

Particulars	31st March, 2020			31st March, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity investments	-	-	-	-	-	-
Other investments	1,34,67,986	-	35,45,548	-	-	7,00,000
Trade receivables	-	-	4,24,74,434	-	-	11,33,95,981
Loans	-	-	12,77,00,000	-	-	22,41,87,962
Cash and cash equivalents	-	-	12,29,65,507	-	-	6,94,85,255
Other bank balances	-	-	26,31,97,032	-	-	18,81,94,399
Others	-	2,20,99,098	-	-	21,35,285	-
Total	1,34,67,986	2,20,99,098	55,98,82,521	-	22,35,285	59,59,63,597
Financial Liabilities						
Borrowings	-	-	58,993	-	24,220	567
Trade Payables	-	-	38,40,79,813	-	-	39,20,39,754
Total	-	-	39,20,40,321	-	24,220	39,20,40,321

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, 2020****44. 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.

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, 2020	March 31, 2019
Past due not impaired:		
0-30 Days	42034,973	5,29,56,812
31-90 Days	4,40,192	3,57,523
91-180 Days	-	1,67,80,324
Greater than 180 Days	-	4,33,01,322
Total	4,24,75,165	11,33,95,981

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.

**Notes to Financial Statements for the year ended March 31, 2020**

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2020</u>				
Borrowings	58,993	-	-	58,993
Trade Payables	38,40,79,813	-	-	38,40,79,813
Total	38,41,38,806	-	-	38,41,38,806
<u>March 31, 2019</u>				
Borrowings	24,787	-	-	24,787
Trade Payables	34,87,36,665	433,03,089	-	39,20,39,754
Total	34,87,61,452	4,33,03,089	-	39,20,64,541

45. 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, 2020	31st March, 2019
Non-Current Borrowings	-	-
Current Borrowings	58,993	24,787
Total Debt	58,993	24,787
As a percentage of total capital	0.03%	0.01%
Equity	21,13,85,961	20,91,29,850
As a percentage of total capital	99.97%	99.99%
Total Capital (Debt and Equity)	21,14,44,954	20,91,54,637

**Notes to Financial Statements for the year ended March 31, 2020****46. IND AS 116 Leases****Nature of the effect of adoption of Ind AS 116**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 retrospectively with the cumulative effect of initially applying the standard at the date of initial application and applied the Standard to its leases on a prospective basis. The adoption of the standard did not have any material impact to the financial statements. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value (low-value assets).

Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for Land and Building. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability.

In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from April 01, 2019 and accordingly carrying amount of lease assets has been reclassified as right-of-use assets.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease

**Notes to Financial Statements for the year ended March 31, 2020**

liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The operating lease commitments as of March 31, 2019 reconciled with lease liabilities as at April 01, 2019 as follows:

Particulars	Amount [In Lakhs]
Operating lease commitments as on March 31, 2019	22.68
Weighted average incremental borrowing rate as at April 01, 2019	6.25%
Discounted operating lease commitments as at April 01, 2019	14.51
Add: Commitments relating to lease previously classified as finance lease	-
Lease liabilities as at April 01, 2019	14.51

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 01, 2019 is primarily due to inclusion of lease commitments for the cancellable term of the leases and reduction due to discounting of lease liabilities as per the requirement of Ind AS 116.

The Company has applied the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the exemption not to recognize right-of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Applied the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application.

The effect of adoption of Ind AS 116 as at April 01, 2019 (increase/(decrease)) is as follows:

Particulars	Amount [In lakhs]
Assets	
Right-of-use asset	14.51
Increase in Assets	14.51
Liabilities	
Financial Liabilities [Current + Non-current]	14.51
Increase in liabilities	14.51

**Notes to Financial Statements for the year ended March 31, 2020****Following is the movement in lease liabilities during the year:**

Particulars	Amount [In lakhs]
As at April 01, 2019	-
Addition on account of adoption of IND AS 116	14.51
Addition during the year	6.24
Interest Expense	1.00
Payments	(9.37)
As at March 31, 2020	12.38

Following are the amounts recognised in the statement of profit and loss:

Particulars	Amount [In lakhs]
Depreciation expense of right-of-use asset	8.98
Interest expense on lease liabilities	1.00
Rent expense – Short term leases and leases of low value assets	19.89
Total amount recognised in statement of profit and loss	29.87

47. Impact of Global Health Pandemic - COVID-19

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Group has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

The Companies management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that situation as well as its assessment is continuously evolving, and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Companies management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

In assessing the recoverability of receivables and other financial assets, Companies has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Companies will continue to closely monitor any material changes to future economic conditions.

48. Standards issued but not effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

**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, 2020**49. Event occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of June 22, 2020, there were no subsequent events and transactions to be recognised or reported that are not already disclosed.

50. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Laxminiwas Sharma
Chairman
DIN : 00010899

Sd/-
Harinarayan Rathi
Managing Director
DIN : 00010968

Sd/-
Chetan Rathi
Executive Director-cum-CFO
DIN : 00536441

Place : Hyderabad
Date : 22.06.2020

Sd/-
Sabitha Reddy
Company Secretary

Sd/-
M.V. Rao
Compliance Officer



DIRECTOR'S REPORT

To

The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 12th Annual report together with Audited accounts for the year ended 31st March, 2020.

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

	(Rs. In Lacs)	
Particulars	2019-20	2018-19
Revenue from operations	68,65,694	4,87,77,247
Other income	20,89,341	4693043
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense		
Less: Depreciation/ Amortisation/ Impairment	59,037	52,476
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(1,91,282)	74,03,427
Less: Finance Costs	1,95,275	3,10,051
Profit /loss before Exceptional items and Tax Expense	(3,86,557)	70,93,376
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	(3,86,557)	70,93,376
Less: Tax Expense (Current & Deferred)	(2,695)	18,54,179
Profit /loss for the year (1)	(3,83,862)	52,39,197
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	(3,83,862)	52,39,197
Balance of profit /loss for earlier years	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-	-

TRANSFER TO RESERVES:

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

DIVIDEND:

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

STATE OF AFFAIRS/ COMPANY'S PERFORMANCE:

The total revenue of the Company for the financial year 2019-20 was Rs. 68,65,694/- as against Rs. 4,87,77,247/- for the previous financial year. The company suffered a loss of Rs. 3,83,862/- as against the net profit of Rs. 52,39,197/- for the previous year.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no material changes and commitments affecting Financial position of the company between 31st March, 2020 and the date of Board's Report. (i.e. 19.06.2020)



MATERIAL CHANGES AND COMMITMENTS:

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

REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements for the 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.

TRANSFER OF UN-CLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION:

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2020.

DIRECTORS:

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

APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

BOARD MEETINGS:

The Board of Directors met five times during the year on 20.05.2019, 03.07.2019, 08.08.2019, 08.11.2019, and 10.02.2020 and the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

COMMITTEES:

The company does not meet the criteria of provisions of Companies Act, 2013 and thus Committees are not constituted.

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.
- f. proper and sufficient care has been taken 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;



Internal financial controls:

Internal financial controls with reference to the financial statements are adequate and operating effectively.

No Frauds reported by statutory auditors

During the Financial Year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

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.

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2020, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

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.

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 28 to the financial statement which sets out related party disclosures.

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.

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

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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company is not required to form such policy

STATUTORY AUDITOR AND AUDITORS' REPORT

The existing auditors M/s. Sesachalam & Co, Chartered Accountants, Hyderabad appointed as statutory auditors of the Company for the term of five years from the conclusion of 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in the year 2024 with the approval of shareholders. The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL STANDARDS:

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

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)

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.

PARTICULARS OF EMPLOYEES:

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

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



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.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, during the year under review, there were no Complaints pertaining to sexual harassment.

INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

EVENT BASED DISCLOSURES

There were no instances which require event-based disclosures during the year.

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

For and on behalf of the Board
B N Rathi Comtrade Private Limited

Place : Hyderabad
Date : 19.06.2020

Sd/-
Chetan Rathi
Director
(DIN : 00536441)

Sd/-
Hari Narayan Rathi
Director
(DIN: 00010968)



MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS :

i	CIN	U74900TG2008PTC60088
ii	Registration Date	10.07.2008
iii	Name of the Company	B N. Rathi Comtrade Private Limited
iv	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v	Address of the Registered office and contact details	6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082
vi	Whether listed company Yes / No	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	-

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Commodities Broking	-	92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	B.N. Rathi Securities Limited 6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082	L65993TG1985PLC005838	Holding Company	100%	2(87)



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

i) Category-wise Share Holding :

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



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

(ii) Shareholding of promoters

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

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

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



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

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

(v) Shareholding of Directors and Key Managerial Personnel :

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

v. INDEBTEDNESS

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

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



vi. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/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
Independent Directors - Fee for attending board / committee meetings -Commission -Others please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
Other Non-Executive Directors - Fee for attending board / committee meetings -commission -Others please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-



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

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

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

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

For and on behalf of the Board
B N Rathi Comtrade Private Limited

Place : Hyderabad
Date : 19.06.2020

Sd/-
Chetan Rathi
Director
(DIN : 00536441)

Sd/-
Hari Narayan Rathi
Director
(DIN: 00010968)



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, 2020, 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, 2020, 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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

Sd/-
T. Bharadwaj
Partner

Membership No. : 004027
UDIN : 20201042AAAAAT3618

Place : Hyderabad
Date : 19.06.2020



Annexure 1 to the Independent Auditors' Report

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

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



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

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

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

Place : Hyderabad
Date : 19.06.2020

Sd/-
T. Bharadwaj
Partner
Membership No.: 004027
UDIN: 20201042AAAAAT3618



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, 2020 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, 2020, 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, 2020, 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 June 19, 2020 expressed an unqualified opinion.

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

Place : Hyderabad
Date : 19.06.2020

Sd/-
T. Bharadwaj
Partner
Membership No.: 004027
UDIN: 20201042AAAAAT3618



1. Corporate Information:

B. N. Rathi Comtrade Private Limited ("BNRCPL" or "the Company") was incorporated under the Companies Act, 1956 ("the Act") on July 10, 2008. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

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

2. Significant Accounting Policies:

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

a) 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.

b) Basis of Measurement:

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.

c) 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.

d) 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.

e) Property, plant and equipment:

i. Recognition and initial measurement:



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

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

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

iv. Transition to Ind AS:

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

f) 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.

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. 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 31st March, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	1,69,574	93,174
(b) Financial Assets			
- Investments	4	20,00,000	-
- Loans	5	65,00,000	65,00,000
(c) Deferred tax assets (Net)	6	3,49,418	3,46,723
Total Non-Current Assets [A]		90,18,992	69,39,897
2 Current Assets			
(a) Financial Assets			
- Investments	7	1,34,67,986	-
- Loans	8	37,50,000	72,12,962
- Trade receivables	9	-	4,33,71,784
- Cash and cash equivalents	10	7,982	2,35,63,144
- Bank balances other than above	11	1,77,50,000	4,57,50,000
(b) Current tax asset [Net of provision]	12	2,01,829	-
(c) Other current assets	13	3,08,238	9,98,281
Total Current Assets [B]		3,54,86,035	12,08,96,171
TOTAL ASSETS [A+B]		4,45,05,027	12,78,36,068
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	1,00,00,000	1,00,00,000
(b) Other Equity	15	3,44,39,893	3,48,23,755
Total Equity [A]		4,44,39,893	4,48,23,755
2 Current Liabilities			
(a) Financial Liabilities			
- Borrowings	16	58,993	567
- Trade payables	17	6,141	8,13,07,147
(b) Current tax liability [Net of advance tax]	18	-	44,327
(c) Other current liabilities	19	-	16,60,273
Total Non-Current Liabilities [B]		65,134	8,30,12,313
TOTAL EQUITY AND LIABILITIES [A+B]		4,45,05,027	12,78,36,068
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 37		

As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

Sd/-

T. Bharadwaj

Partner

Membership No. 201042

For and on behalf of the Board of Directors of

B N RATHI COMTRADE PRIVATE LIMITED

Sd/-

Chetan Rathi

Director

DIN : 00536441

Sd/-

Nisha Rathi

Executive Director

DIN : 02210852

Place : Hyderabad

Date : 19.06.2020


B.N. RATHI COMTRADE PRIVATE LIMITED

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

Statement of Profit & Loss for the year ended 31st March, 2020

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I REVENUE			
Revenue from Operations (Gross)	20	68,65,694	4,87,77,247
Other Income	21	20,89,341	46,93,043
TOTAL REVENUE [I]		89,55,035	5,34,70,290
II EXPENSES			
Employee benefit expenses	22	25,89,145	85,51,104
Finance costs	23	1,95,275	3,10,051
Depreciation and amortization expense	3	59,037	52,476
Other expenses	24	37,31,814	1,80,46,921
Share of brokerage		27,66,321	1,94,16,362
TOTAL EXPENSES [II]		93,41,592	4,63,76,914
III Profit Before Tax [I-II]		(3,86,557)	70,93,376
IV Tax Expense			
- Current tax	25	-	18,23,953
- Deferred tax credit	25	(2,695)	30,226
V Profit for the period		(3,83,862)	52,39,196
VI Earnings per equity share Rs.10/- each fully paid			
- Basic	30	(0.38)	5.24
- Diluted	30	(0.38)	5.24
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 37		

As per our Report of even date.

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Place : Hyderabad
Date : 19.06.2020

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
Nisha Rathi
Executive Director
DIN : 02210852


B.N. RATHI COMTRADE PRIVATE LIMITED

U74900TG2008PTC060088

(All amounts in Indian Rupees, unless otherwise stated)

Cash Flow Statement for the year ended 31st March, 2020

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(3,86,557)	70,93,376
Adjustments:			
Depreciation		59,037	52,476
Profit on sale of Property, plant and equipment		-	-
Profit on sale of investments in Mutual Funds		-	(1,16,362)
Excess provision written back		-	(17,603)
Interest expense		56,391	19,942
Interest income		(20,18,280)	(44,65,772)
Cash generated before working capital changes		(22,89,409)	25,66,057
Movements in working capital:			
(Decrease)/Increase in trade payables		(8,13,01,006)	(98,91,813)
(Decrease)/Increase in other current liabilities		(16,60,273)	1,16,927
Decrease/(Increase) in trade receivables		4,33,71,784	5,74,517
Decrease/(Increase) in other current assets		6,90,043	6,567
Decrease/(Increase) in current loans		34,62,962	5,43,087
Decrease/(Increase) in non current loans		-	(10,00,000)
Cash generated from operations		(3,77,25,899)	(70,84,658)
Direct taxes paid (Net of refunds received)		(2,46,155)	(16,46,577)
Net cash flow (used in)/from operating activities [A]		(3,79,72,054)	(87,31,235)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,35,437)	-
Redemption of investments in mutual funds		-	1,16,362
(Investment) in shares		(1,34,67,986)	-
Proceeds from sale of property, plant and equipment		-	-
Interest received		20,18,280	44,65,772
Net cash flow (used in)/from investing activities [B]		(1,15,85,143)	45,82,134
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Investment)/redemption of bank deposits		2,80,00,000	(20,00,000)
(Investment)/redemption in debentures		(20,00,000)	-
Interest paid		(56,391)	(19,942)
Net cash flow (used in)/from financing activities [C]		2,59,43,609	(20,19,942)
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		(2,36,13,588)	(61,69,043)
E. Cash and cash equivalents			
at the beginning of the year	10	2,35,62,577	2,97,31,620
at the end of the year		(51,011)	2,35,62,577
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		47	35,57,026
- Deposits with original maturity of less than 3 months		-	2,00,00,000
Cash on hand		7,935	6,118
Less: Bank overdraft		(58,993)	(567)
Cash and cash equivalents at the end of the year	2(m)	(51,011)	2,35,62,577

Corporate information

Summary of significant accounting policies

Accompanying notes forming an integral part of the financial statements

As per our Report of even date.

For **SESHACHALAM & CO.,**

Chartered Accountants

Firm Registration Number : 003714S

Sd/-

T. Bharadwaj

Partner

Membership No. 201042

Place : Hyderabad

Date : 19.06.2020

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

Sd/-

Chetan Rathi

Director

DIN : 00536441

Sd/-

Nisha Rathi

Executive Director

DIN : 02210852

**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, 2020**Statement of Changes in Equity for the year ended March 31, 2020****A. Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	1,00,00,000	1,00,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	1,00,00,000	1,00,00,000

B. Other Equity

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Movement in other equity is as follows:		
I. General Reserve	1,79,700	1,79,700
II. Retained Earnings		
(i) Opening Balance	3,46,44,055	2,94,04,858
(ii) Profit for the year	(3,83,862)	52,39,196
	3,42,60,193	3,46,44,055
Total	3,44,39,893	3,48,23,755

As per our Report of even date.

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Place : Hyderabad
Date : 19.06.2020

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
Nisha Rathi
Executive Director
DIN : 02210852


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, 2020
Note 3: Property, plant and equipment

Particulars	As at March 31, 2020	As at March 31, 2019
Furniture and Fittings	90,697	36,869
Motor Vehicles	12,736	17,183
Computers and Data Processing Units	5,934	14,922
Office Equipment	60,207	24,200
Total	1,69,574	93,174

For the year 2019-20

Description of Assets	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Carrying Amount As at April 01, 2019	21,98,960	66,462	5,73,097	4,83,451	33,21,970
Additions	85,046	-	-	50,391	1,35,437
Disposals	-	-	-	-	-
Balance as at March 31, 2020	22,84,006	66,462	5,73,097	5,33,842	34,57,407
II. Accumulated Amortization Upto April 01, 2019	21,62,091	49,279	5,58,175	4,59,251	32,28,796
Depreciation expense for the period	31,218	4,447	8,988	14,383	59,037
Eliminated on disposal of assets	-	-	-	-	-
Upto March 31, 2020	21,93,309	53,726	5,67,163	4,73,635	32,87,833
III. Net Carrying Amount [I-II]					
As at March 31, 2020	90,697	12,736	5,934	60,207	1,69,574
As at March 31, 2019	36,869	17,183	14,922	24,200	93,174

**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, 2020**Note 4 : Non-current Investments [Refer Note 33 (iii)]**

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in convertible debentures (Fully Paid-up)		
Unquoted Investments		
- Propspace Square Private Limited		
[4 (31.03.2019:Nil) debentures of par values Rs. 5,00,000 each]	20,00,000	-
Total	20,00,000	-

Aggregate amount of quoted investments and market value thereof

-

-

Aggregate amount of unquoted investments

20,00,000

-

Aggregate amount of impairment in the value of investments

-

-

Investments carried at cost

20,00,000

-

Investments carried at amortized cost

-

-

Investments carried at fair value through profit and loss

-

-

Note 5 : Non-current Loans [Refer Note 33 (iii)]

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Security deposits		
- Security Deposits with Stock Exchanges/Clearing Houses	65,00,000	55,00,000
Total	65,00,000	55,00,000

Note 6 : Deferred Tax Asset (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Depreciation	3,49,418	3,46,723
Total	3,49,418	3,46,723

Note 7 : current Investments [Refer Note 33 (iii)]

Particulars	As at March 31, 2020	As at March 31, 2019
Quoted investments in shares and securities		
(Valued at fair value through profit and loss account)		
Investment in shares	1,34,67,986	-
Total	1,34,67,986	-

Aggregate amount of quoted investments and market value thereof

1,34,67,986

-

Aggregate amount of unquoted investments

-

-

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

1,34,67,986

-


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, 2020
Note 8 : Current Loans [Refer Note 33 (iii)]

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Security Deposits	5,00,000	19,37,962
Staff Advances	-	25,000
Margin with exchanges	32,50,000	52,50,000
Total	37,50,000	72,12,962

Note 9 : Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months (Refer Note 31&33)	-	4,33,01,322
Others	-	70,462
Total	-	4,33,71,784

Note 10 : Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Balance with Banks</i>		
- In current accounts	47	35,57,026
- Deposits with original maturity of less than 3 months	-	2,00,00,000
Cash on hand	7,935	6,118
Total	7,982	2,35,63,144

Note 11 : Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
On deposit accounts		
- Remaining maturity for more than 12 months	-	-
- Remaining maturity for less than 12 months	1,77,50,000	4,57,50,000
Total	1,77,50,000	4,57,50,000

Note 12 : Current tax asset (Net of provision)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	2,01,829	-
Current Tax Liabilities	-	-
Total	2,01,829	-

**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, 2020**Note 13 : Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
- Prepaid Expenses	-	1,82,947
- Balance with government authorities	87,745	51,276
Interest accrued on deposits with banks and others	2,20,493	7,64,058
Total	3,08,238	9,98,281

Note 14 : Share Capital

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Authorised:				
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, subscribed and fully paid:				
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Total	10,00,000	1,00,00,000	10,00,000	1,00,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2020				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000
Year ended March 31, 2019				
- Number of shares	10,00,000	-	-	10,00,000
- Amount	1,00,00,000	-	-	1,00,00,000

(b) Rights, preferences and restrictions attached to 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 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, 2020**(c) Details of shares held by Holding Company**

Name of the Shareholder	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	10,00,000	100%	10,00,000	100%

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

Name of the Shareholder	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares held	Percentage of holding	No. of shares held	Percentage of holding
B.N. Rathi Securities Limited	10,00,000	100%	10,00,000	100%

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

Note 15 : Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
General Reserve	1,79,700	1,79,700
Retained Earning	3,42,60,193	3,46,44,055
Total	3,44,39,893	3,48,23,755

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.

**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, 2020**Note 16 : Current Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Overdraft - Secured	58,993	567
Total	58,993	567

Note 17 : TradePayables

Particulars	As at March 31, 2020	As at March 31, 2019
Creditors - Clients (Refer Note 31 to 33)	-	3,52,18,299
Creditors - NSEL	1,766	4,33,03,089
Sharing of Brokerage Payable	-	17,18,831
Creditors - Suppliers and other services	4,375	10,66,928
Total	6,141	8,13,07,147

Note 18 : Current Tax Liability (Net of advance tax)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	-	17,79,627
Current Tax Liabilities	-	18,23,953
Total	-	44,327

Note 19 : Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances	-	11,35,490
Client margin deposits	-	4,91,994
Other deposits - Sub brokers	-	32,789
Other payables	-	-
Total	-	16,60,273

Note 20 : Revenue from Operations (Gross)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from broking operations	49,39,697	3,44,34,935
Other operating revenue	19,25,997	1,43,42,312
Total	68,65,694	4,87,77,247

**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, 2020**Note 21 : Other Income**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on deposits with bank	19,66,046	44,65,772
Interest	52,234	-
Interest received for loan given to holding company	-	-
Profit on sale of investments in Mutual Funds	-	1,16,362
Miscellaneous income	71,061	70,355
Bad Debt Recovered	-	22,951
Excess provision written back	-	17,603
Total	20,89,341	46,93,043

Note 22 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Bonus	25,89,145	85,51,104
Total	25,89,145	85,51,104

Note 23 : Finance Costs

Particulars	As at March 31, 2020	As at March 31, 2019
Interest expense on :		
- Working Capital	56,391	19,942
- Delayed remittance of Income tax	12,414	-
Other borrowing costs	1,26,470	2,90,109
Total	1,95,275	3,10,051

**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, 2020**Note 24 : Other Expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating expenses:		
Transaction charges	19,21,032	1,24,26,577
Other operating expenses	3,00,000	16,17,846
Others:		
Power and Fuel	1,02,659	4,47,373
Rent [Refer Note 29]	2,74,500	4,47,000
Repairs and maintenance	4,38,316	3,39,637
Insurance	4,359	11,133
Rates and taxes	54,091	1,41,966
Membership and subscription fees	1,05,000	-
Communication	1,57,813	10,43,363
Travelling and conveyance	8,278	90,152
Business promotion	15,000	47,048
Donations	-	2,46,000
Legal and professional	65,200	5,03,400
Auditor's remuneration:		
- Statutory audit	-	1,15,000
- Tax audit	-	-
- Certification	-	-
Balances written off	-	-
Other expenses	2,85,566	5,70,426
Total	37,31,814	1,80,46,921


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, 2020
Note 25 : Income Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	-	18,23,953
- Adjustments in respect of current income tax of previous year	-	-
	-	18,23,953
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(2,695)	30,226
	(2,965)	30,226
Income tax expense reported in the statement of profit or loss	(2,695)	18,54,179
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	-	70,93,376
Indian tax rate	26.00%	26.00%
Tax at the Indian tax rate	-	18,44,278
Effect of:		
Non-Deductible expenses for tax purposes	-	15,350
Tax exempt income	-	-
Income taxed at special rates	-	-
Deferred tax relating to origination/reversal of temporary differences	(2,695)	30,226
Others	-	(5,23,826)
Total Income Tax Expense	(2,695)	13,66,027

**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, 2020**26. Contingent liabilities :****i) Bank Guarantees :**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Guarantees	-	2,65,00,000

27. 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.

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

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Key Management Personnel (KMP):	Nisha Rathi - Executive Director
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi - Mother-in-law of Nisha Rathi Chetan Rathi - Husband of Nisha Rathi

b) Transactions with related parties:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration Paid:	7,20,000	7,20,000
- Nisha Rathi	7,20,000	7,20,000
Rent Paid:	2,40,000	2,40,000
- Chanda Devi Rathi	2,40,000	2,40,000
Sharing of expenses	14,58,428	82,00,350
- B. N. Rathi Securities Limited	14,58,428	82,00,350
Sharing of expenses paid	14,58,428	82,00,350
- B. N. Rathi Securities Limited	14,58,428	82,00,350

c) Related Party Balances :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Deposit receivable	5,00,000	5,00,000
Chanda Devi Rathi	5,00,000	5,00,000

**Notes to Financial Statements for the year ended March 31, 2020****29. 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, 2020	For the year ended March 31, 2019
Cancellable	2,74,000	4,47,000
Total	2,74,000	4,47,000

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after taxation as per statement of profit and loss (for basic EPS)	(3,83,862)	52,39,196
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	(3,83,862)	52,39,196

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of weighted average equity shares considered for calculating of basic EPS	10,00,000	10,00,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	10,00,000	10,00,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Basic (Rs.)	(0.38)	5.24
- Diluted (Rs.)	(0.38)	5.24

31. 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, 2020

32. 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.

33. 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, 2020	March 31, 2019
Fair Value Hierarchy	1	1
Financial Assets		
Investments in Mutual Funds	1,34,67,986	-

iii. Financial Instruments by category

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

Particulars	31st March, 2020			31st March, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity Instruments	-	-	-	-	-	-
Other investments	1,34,67,986	-	20,00,000	-	-	-
Trade receivable	-	-	-	-	-	4,33,71,784
Loans	-	-	1,02,50,000	-	-	1,37,12,962
Cash and cash equivalents	-	-	7,982	-	-	2,35,68,144
Other bank balances	-	-	1,77,50,000	-	-	4,57,50,000
Total	1,34,67,986	-	3 00 07,982	-	-	12,63,97,890
Financial Liabilities						
Borrowings	-	-	58,993	-	-	567
Trade Payables	-	-	6,141	-	-	8,13,07,147
Total	-	-	65,134	-	-	8,13,07,714

**Notes to Financial Statements for the year ended March 31, 2020**

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 equity shares.

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.

34. 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.

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.

Particulars	March 31, 2020	March 31, 2019
Past due not impaired:		
0-30 Days	-	70,462
31-60 Days	-	-
61-90 Days	-	-
91-180 Days	-	-
Greater than 180 Days	-	4,33,01,322
Total	-	4,39,46,301

**Notes to Financial Statements for the year ended March 31, 2020****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 considers the liquidity of the market in which the entity operates. The Company's principal sources of liquidity are the cash flows generated from operations. The Company has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2020</u>				
Borrowings	58,993	-	-	58,993
Trade Payables	6,141	-	-	6,141
Total	65,134	-	-	65,134
<u>March 31, 2019</u>				
Borrowings	567	-	-	567
Trade Payables	3,80,04,058	4,33,03,089	-	8,13,07,147
Total	3,80,04,625	4,33,03,089	-	8,13,07,714

35. 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.

**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, 2020

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

Particulars	31st March, 2020	31st March, 2019
Current Borrowings (Refer Note 16)	58,993	567
Total Debt	58,993	567
As a percentage of total capital	0.03%	0.00%
Equity (Refer Note 14 and 15)	44,439,893	44,823,755
As a percentage of total capital	99.87%	100.00%
Total Capital (Debt and Equity)	4,44,98,886	4,48,24,322

26. Impact of Global Health Pandemic - COVID-19

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

In assessing the recoverability of receivables and other financial assets, Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

27. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

As per our Report of even date.

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Place : Hyderabad
Date : 19.06.2020

For and on behalf of the Board of Directors of
B N RATHI COMTRADE PRIVATE LIMITED

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
Nisha Rathi
Executive Director
DIN : 02210852



DIRECTOR'S REPORT

To

The Members of B N Rathi Industries Private Limited,

We have pleasure in presenting the 8th Annual report together with Audited accounts for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	-	-
Other income	0.01	1.08
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	(0.54)	(44.48)
Less: Depreciation/ Amortisation/ Impairment	-	-
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(0.54)	(44.48)
Less: Finance Costs	-	-
Profit /loss before Exceptional items and Tax Expense	(0.54)	(44.48)
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	(0.54)	(44.48)
Less: Tax Expense (Current & Deferred)	-	0.13
Profit /loss for the year (1)	(0.54)	(44.62)
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	-	-
Balance of profit /loss for earlier years	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-	-

TRANSFER TO RESERVES:

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

DIVIDEND:

No Dividend is declared during the year.

STATE OF AFFIARS /COMPANY'S PERFORMANCE:

The Company has made a loss of Rs. 0.55 lakhs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no material changes and commitments affecting Financial position of the company between 31st March and the date of Board's Report. (i.e. 19.06.2020)

REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements for the 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.

TRANSFER OF UN-CLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There is no such amount of un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2020.

DIRECTORS:

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

APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

BOARD MEETINGS:

The Board of Directors met 5 times during the year on 20.05.2019, 08.08.2019, 08.11.2019 and 10.02.2020 and the maximum gap between any two meetings was less than four months, as stipulated under Provisions of Companies Act, 2013.

COMMITTEES:

The company does not meet the criteria of provisions of Companies Act, 2013 and thus Committees are not constituted.

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.
- f. Proper and sufficient care has been taken 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.

INTERNAL FINANCIAL CONTROLS:

Internal financial controls with reference to the financial statements are adequate and operating effectively.

NO FRAUDS REPORTED BY STATUTORY AUDITORS:

During the financial year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under section 134(3) (Ca) of the Companies Act, 2013.



SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

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.

DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2020, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

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.

RELATED PARTY TRANSACTIONS:

There are no related party transactions during the financial year 2019-20.

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

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 |



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.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The company is not required to form such policy

STATUTORY AUDITOR AND AUDITORS' REPORT

The existing auditors M/s. Sesachalam & Co, Chartered Accountants, Hyderabad appointed as statutory auditors of the Company for the term of five years from the conclusion of 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the year 2024 with the approval of shareholders. The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL STANDARDS:

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

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)

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

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.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, during the year under review, there were no complaints pertaining to sexual harassment.

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.

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.

PARTICULARS OF EMPLOYEES:

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

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

EVENT BASED DISCLOSURES

There were no instances which require event based disclosures during the year.

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

For and on behalf of the Board
B N Rathi Comtrade Private Limited

Place : Hyderabad
Date : 19.06.2020

Sd/-
Chetan Rathi
Director
(DIN : 00536441)

Sd/-
Hari Narayan Rathi
Director
(DIN: 00010968)



MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2020

[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	
Promoters									
(1) Indian									
Individual/ HUF (as nominee u/sec.187 of the Companies Act, 2013)	-	30	30	0.006	-	30	30	0.006	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	-	4,99,970	4,99,970	99.994	-	4,99,970	4,99,970	99.994	0
Banks / FI									
Any Other....									
Sub-total(A) (1)	0	5,00,000	5,00,000	100	0	5,00,000	5,00,000	100	0
(2) Foreign									
a) NRIs									
Individuals	0	0	0	0	0	0	0	0	0
b) Other									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	00	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Total share holding of Promoter(A) = (A)(1) + (A)(2)	0	5,00,000	5,00,000	100	0	5,00,000	5,00,000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0



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

(ii) Shareholding of promoters

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

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

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



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

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

(v) Shareholding of Directors and Key Managerial Personnel :

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

(vi) INDEBTEDNESS

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

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



(vii) Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mrs. Nisha Rathi (ED)				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/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
Independent Directors - Fee for attending board / committee meetings - Commission - Others please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
Other Non-Executive Directors - Fee for attending board / committee meetings - commission - Others please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B) = (1 + 2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-



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

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/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	-	-	-	-

(viii) Penalties / Punishment / Compounding of Offences : Not Applicable

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

For and on behalf of the Board
B N Rathi Comtrade Private Limited

Place : Hyderabad
Date : 19.06.2020

Sd/-
Chetan Rathi
Director
(DIN : 00536441)

Sd/-
Hari Narayan Rathi
Director
(DIN: 00010968)



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, 2020, 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, 2020, 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 : 19.06.2020

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042
UDIN: 20201042AAAAAU7410



Annexure 1 to the Independent Auditors' Report

Re: B. N. Rath 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

Place : Hyderabad
Date : 19.06.2020

Sd/-
T. Bharadwaj
Partner
Membership No. : 201042
UDIN : 20201042AAAAAU7410



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, 2020 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, 2020, 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, 2020, 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 June 19, 2020 expressed an unqualified opinion.

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042
UDIN:20201042AAAAAU7410

Place : Hyderabad
Date : 19.06.2020



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.

b) Basis of Measurement:

The Ind AS financial statements have been 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.

c) 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.

d) 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.



e) 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.

f) 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.

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) 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

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) 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).

k) 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.

l) 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.

m) 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.

n) Earnings per share:

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

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

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Current Assets			
(a) Financial Assets			
- Investments	3	8,45,548	-
- Cash and cash equivalents	4	20,538	4,17,297
- Loans	5	-	5,00,000
(b) Current Tax Asset [Net of provision]	6	-	3,043
TOTAL ASSETS		8,66,086	9,20,340
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	7	50,00,000	50,00,000
(b) Other Equity	8	(41,33,914)	(40,79,660)
TOTAL EQUITY AND LIABILITIES [A]		8,66,086	9,20,340
2 Current Liabilities			
(a) Trade payables	9	-	-
Total Current Liabilities [B]		-	-
TOTAL EQUITY AND LIABILITIES [A+B]		8,66,086	9,20,340
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

Sd/-

T. Bharadwaj

Partner

Membership No. 201042

Sd/-

Chetan Rathi

Director

DIN : 00536441

Sd/-

Chanda Devi Rathi

Director

DIN : 05278997

Place : Hyderabad

Date : 19.06.2020

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

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Statement of Profit & Loss for the year ended 31st March, 2020

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I REVENUE			
Revenue from Operations (Gross)	-	-	
Other Income	10	1,435	1,08,168
TOTAL REVENUE [I]		1,435	1,08,168
II EXPENSES			
Other Expenses	11	55,689	45,57,153
TOTAL EXPENSES [II]		55,689	45,57,153
III Profit Before Tax [I-II]		(54,254)	(44,48,985)
IV Tax Expense			
- Current tax	12	-	13,265
V Profit for the year		(54,254)	(44,62,250)
VI Other Comprehensive Income		-	-
VII Earnings per Equity Share			
Rs. 10/- each fully paid	16		
- Basic		(0.11)	(8.92)
- Diluted		(0.11)	(8.92)
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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 19.06.2020


B.N. RATHI INDUSTRIES PRIVATE LIMITED

U45209TG2012PTC082486

(All amounts in Indian Rupees, unless otherwise stated)

Cash Flow Statement for the year ended 31st March, 2020

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		(54,254)	(44,48,985)
Adjustments:			
Excess provision for income tax now reversed		-	(25,168)
Profit on sale of investments		(548)	-
Interest Income		(887)	-
Operating profit before changes in assets and liabilities		(55,689)	(44,74,153)
Changes in assets and liabilities			
(Decrease)/increase in trade payables		-	(10,000)
(Decrease)/increase in other current liabilities		-	-
(Decrease)/increase in short term provisions		-	13,010
(Decrease)/increase in current loans		5,00,000	(5,00,000)
(Increase)/decrease in non current loans		-	-
Cash generated from operations		4,44,311	(49,71,143)
Direct taxes paid (Net of refunds received)		(3,043)	17,160
Net cash flow (used in)/from operating activities [A]		4,47,354	(49,88,303)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in mutual funds		(8,75,000)	-
Redemption of Investments		30,000	45,00,000
Interest Income		887	-
Net cash flow (used in)/from investing activities [B]		(8,44,113)	45,00,000
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption / (Investment) in bank deposits		-	-
Net cash flow (used in)/from financing activities [C]		-	-
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		(3,96,759)	(4,88,303)
E. Cash and cash equivalents 4			
at the beginning of the year		4,17,297	9,05,600
at the end of the year		20,538	4,17,297
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		20,468	4,17,227
- Deposits with original maturity of less than 3 months		-	-
Cash on hand		70	70
Less: Bank overdraft		-	-
Cash and cash equivalents at the end of the year	2(l)	20,538	4,17,297
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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Place : Hyderabad
Date : 19.06.2020

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

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
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, 2020**Statement of Changes in Equity for the year ended March 31, 2020****A. Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	5,00,000	50,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	5,00,000	50,00,000

B. Other Equity

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
B. Other Equity		
I. Retained Earnings		
(i) Opening Balance	(40,79,660)	3,82,590
(ii) Profit for the year	(54,254)	(44,62,250)
Total	(41,33,914)	(40,79,660)

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 19.06.2020

**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, 2020**Note 3 : Non-current Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unquoted Investments</i>		
Other Investments		
- BNR Food Specialities LLP	8,45,548	-
Total	8,45,548	-

Aggregate amount of quoted investments and market value thereof 8,45,548 -

Aggregate amount of unquoted investments - -

Aggregate amount of impairment in the value of investments - -

Investments carried at cost 8,45,548 -

Investments carried at amortized cost - -

Investments carried at fair value through profit and loss - -

Note 4 : Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Balance with banks</i>		
- Incurrent Accounts	20,468	4,17,227
- Deposits with original maturity of less than 3 months	-	-
Cash on hand	70	70
Total	20,538	4,17,297

Note 5 : Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loan given to BNR Foods Specialities LLP	-	5,00,000
Total	-	5,00,000

Note 6 : Current Tax Asset (Net of provision)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax	-	16,308
Current Tax Liabilities	-	(13,265)
Total	-	3,043

**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, 2020**Note 7 : Share Capital**

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Authorised:				
Equity shares of Rs.10 each	15,00,000	1,50,00,000	15,00,000	1,50,00,000
	15,00,000	1,50,00,000	15,00,000	1,50,00,000
Issued, subscribed and fully paid:				
Equity shares of Rs.10 each	5,00,000	50,00,000	5,00,000	50,00,000
Total	5,00,000	50,00,000	5,00,000	50,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2020				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000
Year ended March 31, 2019				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000

(b) Shares held by Holding Company

Name of the Shareholder	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
B.N. Rathi Securities Limited	5,00,000	100.00%	5,00,000	100.00%

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

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

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

Name of the Shareholder	As at 31 st March 2020		As at 31 st March 2019	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
B.N. Rathi Securities Limited	5,00,000	100%	5,00,000	100%

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

**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, 2020**Note 8 : Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(41,33,914)	(40,79,660)
Total	(41,33,914)	(40,79,660)

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, 2020	As at March 31, 2019
Credits for Services (Refer Note 17 to 20)	-	-
Total	-	-

Note 10 : Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on IT Refund for AY 2018-19	887	-
Profit on sale of investments	548	-
Commission Income	-	83,000
Excess provision written back	-	25,168
Total	1,435	1,08,168

Note 11 : Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent [Refer Note 15]	24,000	24,000
Communication	3,889	10,553
Rates and taxes	-	10,000
Advertisement Expenses	-	7,500
Loss on sale of investments in LLP	-	45,00,000
Legal and professional	16,000	5,100
Audit fee		
- Statutory audit	11,800	-
Total	45,57,153	2,41,986

**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, 2020**Note 12 : Income Tax Expense**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	-	13,265
- Adjustments in respect of current income tax of previous year	-	-
	-	13,265
Income tax expense reported in the statement of profit or loss	-	13,265
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	-	(44,48,985)
Indian tax rate	26.00%	26.00%
Tax at the Indian tax rate	-	(11,56,735)
Effect of:		
Non-Deductible expenses for tax purposes	-	11,70,000
Tax exempt income	-	-
Income taxed at special rates	-	-
Others	-	-
Total Income Tax Expense	-	13,265

**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, 2020**13. 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.

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

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
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:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Paid:	24,000	24,000
- Chanda Devi Rathi	24,000	24,000
Loan Advanced	-	5,00,000
- BNR Food Specialities LLP	-	5,00,000
Investments Disposed	-	45,00,000
- BNR Food Specialities LLP*	-	45,00,000
Loan repayment received	5,00,000	-
- BNR Food Specialities LLP	5,00,000	-

c) Related Party Balances :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Investments Made	-	-
- BNR Food Specialities LLP*	-*	-*

* 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, 2020****15. 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, 2020	For the year ended March 31, 2019
Cancellable	24,000	24,000
Total	24,000	24,000

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after taxation as per statement of profit and loss (for basic EPS)	(54,254)	(44,62,250)
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	(54,254)	(44,62,250)

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of weighted average equity shares considered for calculating of basic EPS	5,00,000	5,00,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	5,00,000	5,00,000

(iii) Earnings per share:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Basic (Rs.)	(0.11)	(8.92)
- Diluted (Rs.)	(0.11)	(8.92)

17. 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.

18. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2020 and March 31, 2019 in the financial statements based on information received and available with the company.

**Notes to Financial Statements for the year ended March 31, 2020****19. 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, 2020	March 31, 2019
Fair Value Hierarchy Financial Assets	1	1
Investments in Mutual funds	8,45,548	-
Fair Value Hierarchy Financial Assets	3	3
Other Investments	-	-

iii. Financial Instruments by category

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

Particulars	31st March, 2020			31st March, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Other investments	-	-	8,45,548	-	-	-
Cash and cash equivalents	-	-	28,533	-	-	4,17,297
Other bank balances	-	-	-	-	-	-
Others						
Total	-	-	8,66,006	-	-	4,17,297
Financial Liabilities						
Trade Payables	-	-	-	-	-	-
Total	-	-	-	-	-	-

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.

**Notes to Financial Statements for the year ended March 31, 2020**

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.

20. 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.

Interest rate risk

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

ii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2020</u>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-
<u>March 31, 2019</u>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-

**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, 2020**21. 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, 2020	31st March, 2019
Borrowings	-	-
Total Debt	-	-
As a percentage of total capital	0.00%	0.00%
Equity (Refer Note 8 and 9)	8,66,086	9,20,340
As a percentage of total capital	100.00%	100.00%
Total Capital (Debt and Equity)	8,66,086	9,20,340

22. Impact of Global Health Pandemic - COVID-19

COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption.

In assessing the recoverability of receivables and other financial assets, Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

23. Previous year's figures have been regrouped/reclassified/re-casted wherever necessary to confirm to the current year's presentation.

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

Sd/-
T. Bharadwaj
Partner
Membership No. 201042

Sd/-
Chetan Rathi
Director
DIN : 00536441

Sd/-
Chanda Devi Rathi
Director
DIN : 05278997

Place : Hyderabad
Date : 19.06.2020

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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

